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Hungary

Colonel Gyorgy Keleti has asked Minister Lajos Fur to relieve him as Defense Ministry spokesman, MTI reports. "Recent changes in ministry personnel and organization" were the reasons Keleti cited for leaving the military after 28 years of service. He has reportedly been the "target of politically charged accusations" linked with "irregular transactions" in the Defense Ministry's "financial management." Keleti, in a Budapest radio interview, remarked that his "opportunities for gathering information and finding out the news have lately become very considerably restricted in the Defense Ministry..." which does not allow me to "perform my duties in a decent and honorable manner." "I believe that a spokesman can be a spokesman only if he knows what is going on... for it is then that he can say something to the members of the press."

Albania

According to Tirana radio, the national situation is calmer throughout the country. The majority of enterprises are cleaning their workplaces while heavily damaged enterprises await calculated damages. Nevertheless, hundreds of people are "plundering and looting" commercial warehouses. A Defense Ministry spokesman stated that "delinquents" attacked military guards in an attempt to steal arms and ammunition. The forces of order have reinforced security measures and "turned to the political forces and independent trade unions for help."

Poland

In an interview with Rome's L'ESPRESSO, President Walesa denied the theory put forth by Carl Bernstein in a Time magazine article which revealed that "in the eighties" Pope Wojtyla and former U.S. President Ronald Reagan "conspired to overthrow the military communist regime..." Walesa called the theories "ridiculous," but "stressed the great role played by the church in the anticommunist resistance." TIME magazine has mixed up real facts together with suppositions, Walesa claimed. The president confirmed that "even if both men's actions were addressed to the same geographical area and had similar aims, there was certainly no conspiracy."

CSCE Examines Yugoslavia, Nagorno-Karabakh Crises

Human Rights Mission to Yugoslavia

LD2902055592 Belgrade TANJUG in English 0331 GMT 29 Feb 92

[Text] Prague, February 28 (TANJUG)—The committee of high-ranking officials of the Conference on Security and Cooperation in Europe (CSCE) decided here this evening to again send a mission to investigate the observation of human rights to Yugoslavia and to visit all its republics. A mission of the committee already investigated the state of human rights in Yugoslavia last December and January.

The decision was adopted after a discussion of the mission's report on its preceding visit, in which to be found are grave criticisms and objections regarding breaks of human rights in all parts of Yugoslavia, though to various degrees. It was taken after founding that, due to a lack of time, the mission members "did not manage anyway to look into all problems thoroughly and in their complexity," also including that some of their conclusions and estimates were not corroborated by arguments.

For instance, some stands of the mission were based only on what definite newspapers had written (in Croatia), while the report particularly had stressed at the same time that the press, especially in Croatia, "lacked objectivity, was tendentious and took part in instigating and spreading national hatred."

Vladimir Pavicevic, the Yugoslav delegation chief, replied that, "true, the situation in Yugoslavia is no cause, for example, of the state of Hungary, but indeed is of Hungarians living in Yugoslavia as its citizens and nationals in the same way as of all its other citizens." The Hungarian ethnic minority in Yugoslavia is more than protected since it enjoys the highest possible degree of freedoms and rights, far beyond customary minority rights, Pavicevic added.

Hungarian Delegate Views Minority Rights

LD0203192492 Budapest MTI in English 2009 GMT 28 Feb 92

[Text] Prague, February 28 (MTI)—The Hungarian Government holds it necessary for an international guarantee and control scheme of minority rights to be operated in the whole southern Slav region, said a Hungarian delegate addressing the Prague session of the CSCE countries, senior Foreign Ministry officials.

On Thursday and Friday, the participants discussed the [Nagorno-] Karabakh issue and the situation of human rights in Yugoslavia. The Hungarian delegate stressed that the war had forced tens of thousands of ethnic Hungarians to leave their homes in Croatia. Simultaneously, the 400,000 ethnic Hungarians living in Vojvodina have been branded as internal enemies. According to the Hungarian view, until the end of the war the authorities concerned should abstain from all steps that would upset the ethnic conditions, violate the national minorities rights, or wind up their institutions.

Nagorno-Karabakh Settlement Steps Approved

AU0203154192 Prague CSTK in English 2036 GMT 28 Feb 92

[Text] Prague Feb 28 (CSTK)—The committee of senior officials of the Conference on Security and Cooperation in Europe (CSCE) member states today approved steps leading to a settlement of the conflict in the troubled enclave of Nagorno-Karabakh in Azerbaijan. At a two-day meeting which ended today, the committee urged the parties to the conflict to declare an immediate cease fire and observe their commitments within the CSCE. The committee said the presence of prominent persons from the CSCE states in the area "will contribute to the establishment of an effective cease fire".

The committee discussed a report of a CSCE fact-finding mission which visited Nagorno-Karabakh in the middle of this month. The committee urged CSCE countries and states of the troubled region to impose an immediate embargo on deliveries of weapons and ammunition to forces engaged in combat. It also asked current CSCE chairman Jiri Dienstbier, the Czechoslovak foreign minister, to contact international organisations to provide humanitarian assistance to the population of Nagorno-Karabakh and both Armenian and Azeri refugees from the region, as well as to establish safe corridors to this end.

The committee also urged Dienstbier to promote, under the auspices of the International Red Cross, an immediate exchange of hostages and the return of the remains of all those killed in the conflict to their families. The committee stressed that all states in the region, particularly Kazakhstan and Russia, should continue efforts to achieve a cease fire.

Alia Urges Investigation of Missing Gold

AU0303225392 Tirana Radio Tirana Network in Albanian 1430 GMT 3 Mar 92

[Text] Bashkim Hoxha, spokesman for President Alia, told reporters that Alia met with Foreign Minister Ilir Bocka, Finance Minister Robert Ceku, and State Bank Director Ilir Hoti on the gold issue.

As is known, the People's Assembly itself has taken charge of this affair. The Assembly listened to a detailed report by a special committee. This subject resurfaced recently after a statement by a foreign national on Albanian television. Since the People's Assembly and its commissions have dispersed, Alia assigned the specialized state agencies to investigate, on the basis of the Constituency Law, the truth of this statement which prompted justifiable concern all over the country. The procurator general is working in this direction. Meanwhile, the mass media gave some contradictory reports on this affair. In order to verify the truthfulness of our responsible agencies' documents on the movement of gold, Alia asked Ministers Bocka and Ceku and General Director Hoti to officially inquire of the Swiss agencies on two issues:

1. Was any gold from the Albanian State Bank deposited in Swiss banks from 1945 through 1991? If so, when and how much? Has this gold been used, and when?

2. Has any gold any or foreign currency been deposited in Swiss banks from 1945 through 1991 in accounts for Albanian citizens, whether they be former state and party leaders or private citizens. If so, when, how much, and under what name? When and by whom have these deposits been used?

National Situation 'Calmer'; Damage Assessed

Repairs Under Way in Pogradec

AU0203204892 Tirana Radio Tirana Network in Albanian 1430 GMT 2 Mar 92

[Text] The situation in Pogradec is calmer today, according to a report from Ilia Spiro. The majority of economic enterprises' workers are busy cleaning their workplaces under the direction of the Pluralist District Executive Committee's task force. The heavily damaged enterprises, such as the commercial, knitwear, and Metalworking enterprises are waiting expectantly. The damage done is being calculated. Including the damage done to the main means of production of these enterprises, it amounts to approximately 190 million leks. The police, Investigator's Office and other forces of order have stopped many people and collected many stolen items recently. A working group of specialists, mainly economists, has been set up to assist the Investigator's Office and accelerate the work. Referring to the existing situation in Pogradec, the Pluralist Executive Committee decided to set up an enterprise for the procurement and distribution of staple consumer goods, which will function till the situation is calmed. The Wood-Processing Enterprise's workers have expressed their readiness to help to reconstruct various enterprises by supplying doors, windows, and other materials. Agricultural enterprises, the refrigeration plant, the mines, and other enterprises are being organized to start work.

Looting Cited in Librazhd, Prrenjas

AU0303192692 Tirana Radio Tirana Network in Albanian 1430 GMT 3 Mar 92

[Esat Cuellari report]

[Text] Following the events in Pogradec, hundreds of people from the villages of Mokerr went to Prrenjas to plunder and loot the warehouses on the morning of 28 February. Considering the situation, the forces of order took reinforcement measures and turned to the political forces and independent trade unions for help. As a result, the people of Prrenjas made a decisive contribution toward ending the situation. They succeeded in putting these peasants groups forward and sending them out of Librazhd District, side by side with the forces of order and with self-sacrifice.

We began this report with the people of Prrenjas, who bravely faced this attack on their property.

The opposite happened in the town of Librazhd. A group of young people attacked the commercial warehouses, breaking into one of them on the 1 March at about 1730 GMT. The value of the stolen property amounted to 10,000 leks. Even in this case, the situation calmed after the forces of order intervened, but later, at about 2000, other young people gathered at the Red Cross warehouses to plunder and loot. A good, organized response by the forces of order and their appeals to the people obliged the crowd to disperse peacefully.

Some people from Librazhd town headed toward the state reserve warehouses in (?Togez), about 4 kilometers outside town, at about 1715 GMT yesterday. People from nearby villages joined them and they broke into a Red Cross warehouse. They stole approximately 100 kuintal of flour from this warehouse. The crowd amounted to some 1,000 people, who threw stones at the forces of order. The crowds dispersed only when reinforcements from Elbasan arrived. Seven policemen were wounded, but reported to be in good condition now. Meetings with various people, as well as calls from the crowd, indicate that the heads of enterprises, warehouses, and speculators, who are getting unscrupulously rich to the detriment of the people, are responsible for these acts.

Delinquents Attack Army Guards

AU0303221492 Tirana Radio Tirana Network in Albanian 1930 GMT 3 Mar 92

[Text] A statement by the spokesman for the Ministry of Defense says that some delinquents, in an attempt to steal arms and ammunition, have provoked and attacked guards in some military units. Thus, two persons attempted to break into a depot of the Tirana garrison on

1 March at 1818 GMT. They were immediately stopped by soldiers on guard. One of them was caught and handed over to the forces of order.

Some people approached an ammunition depot in Kavaje District and opened fire on the guards on 2 March at about 2000. The guards, acting with courage and wisdom, caught two of them and handed them over to the district forces of order. We announce that, the military guards will, as always, guard and protect with devotion and resolution the places where military materials are stored, even with deadly force.

Liberal Party Backs Zhelev on Security Transfer

AU0303170092 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 24 Feb 92

[Text] The Liberals Party is opposed to restricting the powers of the president of the republic by putting the intelligence and security services under the control of parliament. The statement of the position of the Liberals Party that was handed to BTA declares that the people voted for the president, invested with powers defined by the laws and the Constitution. The attack upon the presidential powers constitutes an encroachment upon rights and obligations approved by popular vote, states the document.

Increase in Accidents at Kozloduy Plant Reported

AU0303091392 Hamburg DER SPIEGEL in German 2 Mar 92 pp 187-190

[Unattributed report: "Nervous Reactors"]

[Text] Panic erupted in Sofia, 150 km south of the Kozloduy nuclear power plant. The telephones rang constantly at the emergency services, the fire brigade, and the police. The people filled bath tubs and containers with tap water; doors and windows were sealed: Television had shocked the Bulgarians with a horror report—news of a maximum credible accident.

Accompanying the pictures of a civil defense emergency exercise, the Sofia program "Kuku," in Orson Welles' style, carried a report that the nuclear power plant on the Danube had exploded.

The macabre joke hit the people where it hurt most, because hardly a week passes without some report of an accident from the Atomna Elektrotsentrala. Since January units three and four had to be closed down after a fire broke out in the switching center; three breakdowns of pumps in the emergency cooling systems paralyzed units five and six. On 23 February the turbine of unit five broke down.

Kosma Kuzmanov, who has been the director of the nuclear power plant for six weeks, had not imagined it would be like this when he assumed office. Now he is trying to play down the series of accidents: Similar things happen in western nuclear power plants. However, a look out of the conference hall of the administrative building gives rise to doubts.

In the immediate vicinity one sees two gigantic halls—the location of four Soviet reactors of the WWER-440/230 type with a capacity of 440 megawatts each. Last summer these reactors were checked by experts of the International Atomic Energy Agency (IAEA) and were classified as "worrying."

As was the case with the nuclear power plant in Greifswald in Mecklenburg, which was of the same type and was closed down in 1990, serious defects turned up during the check: insufficient emergency cooling systems, insufficient fire protection, insufficient emergency electricity supply, insufficient protection against plane crashes. In February 1983 Kozloduy escaped a maximum credible accident by a hair's breadth when cooling water suddenly leaked.

Many of the defects can be seen immediately, even by laymen. The steam and water pipes are corroded and dented, the lifts look like something right out of a museum. The controlling equipment would cause excitement as an antique in any discotheque.

Following international protests, last autumn Bulgaria closed down the two oldest reactors, which were put into operation in 1974 and 1975. However, the democratic government that has meanwhile come to power and once put out ecological slogans categorically refuses to do without nuclear power.

Nuclear risks have been all too well known in Bulgaria since 1986, the year of the Chernobyl disaster: As a result of the radioactive fallout that was blown into Bulgaria by the wind the number of miscarriages and deformed children rose by more than 30 percent in Varna, for instance, Bulgaria's third largest city.

In December a court in Sofia sentenced the then deputy prime minister and the health minister to prison terms because they kept quiet about the risks of radiation and did not take any preventive measures.

Nevertheless, the politicians claim that Bulgaria cannot do without nuclear energy. Otherwise, 1 million people would lose their jobs, and there would be the danger of the old communists taking over power in the wake of social unrest, they say. Already now electricity must be switched off in Sofia for several hours every day because of the energy crisis.

Now the two closed reactors are to be reequipped and put into operation again in coordination with the IAEA. Bulgarian experts have presented a three-year program—the EC has already approved 11.5 million ecu for the first six months.

In addition, Bonn is delivering free spare parts worth 19 million Deutsch marks [DM] from the Greifswald nuclear power plant; Siemens will install a leak-warning system.

However, the security risk can hardly be reduced by such reequipment, Bulgarian critics of nuclear power warn. They refer to a Soviet expert report on the Kola 1 nuclear power plant in Russia, which is of the same type: According to this report, the danger of a maximum credible accident is 55 times higher for WWER-440 reactors than for reactors built in the west.

Reequipment is only a waste of resources, an "expensive face lifting," says Sofia nuclear physicist Todor Dimchev. It would take DM2 to DM3 billion to bring Kozloduy up to western safety standards.

Even then there would remain an incalculable danger, one that has hardly received any attention in the west so far: Kozloduy is located in an area that is prone to earthquakes. Because the seismic reports from the beginning of the 1970's envisaged an earthquake strength of, at worst, five on the Mercalli scale, the reactors are not sufficiently protected. However, as early as in 1977 tremors of strength seven were registered in this region, and Bulgarian scientists expect a very big earthquake by the end of this decade.

In addition, the human factor causes constant uncertainty: Apart from bad reactor technology, Bulgaria also imported Soviet work ethics. "Negligence and incompetence, including the certainty of being exempt from punishment, may drive the nuclear power plant into a disaster," Georgi Vasilev, director of the radiological, center warns.

The "illiteracy of the staff" is hair-raising: After the shift, workers circumvent the radiation check at the exit in order to get home more quickly. Protective clothing is worn only in exceptional cases.

Carelessness has lead to a number of incidents: Radioactive liquid got into the mains system and seeped into the ground; in 1984 slightly radioactive waste was simply spread over the gigantic premises.

Up to now the nuclear waste is stored in neglect of all safety regulations. The decay basins beside the reactor halls are excessively full with 700 tonnes of spent fuel rods. In the past the Soviet Union took the spent fuel rods back. Now the sovereign republics of the CIS are demanding at least DM1,500 per kg for that service.

In the wake of the most recent accidents, Ivan Uzunov, professor for radiation protection at Sofia University, criticizes the WWER-1,000 technology of reactors five and six, which have never been subjected to a western safety check. Both reactors are "nervous" and never supply electricity reliably, Uzunov says. Last year alone reactor five had to be closed down 47 times.

The engineers of unit five also warn: Operation is "very complicated." The electronic equipment is unreliable, sometimes the computers and monitor screens simply break down. This equipment also comes from the ex-USSR—while Finland has improved its Soviet reactors with western electronics.

However, Bulgaria cannot afford such expensive equipment. Therefore, nuclear power critics call for the available conventional power plants to be used exclusively.

However, many of the coal-fired plants are hopelessly obsolete. In addition, there is no coal. In Varna supplies will last only another six days, in Ruse the plant has already closed down.

In a memorandum 60 Bulgarian nuclear experts call on the European governments and banks not to grant any loans for the reequipment of Kozloduy. Rather, these means should be spent on the modernization of the existing power plants and on the construction of new power plants. A gas-fired power plants with a capacity of 1,000 megawatts costs DM600 million and could be built before the next winter.

However, the proposals of the nuclear power critics fell on deaf ears in the nuclear lobby in Bulgaria. Bulgaria must not become completely dependent on foreign gas and coal supplies, Lulin Radulov, director of the State Energy Committee, argues in the old style of agitation.

Those who want to reequip Kozloduy also have their lobby in the west. Because the nuclear power plant producers there see new markets in Bulgaria. Professor Uzunov believes: "The nuclear colonization of the east has begun."

EC To Grant 10 Million ECU for Power Industry

AU0403132992 Sofia BTA in English 1304 GMT 4 Mar 92

[Text] Sofia, 4 March (BTA)— The European Community will grant Bulgaria ECU 10 million to restructure its power industry, "DEMOKRATSIYA" writes today. The EC programme will be implemented within 3 years and the first tranche of ECU [European currency unit] 2 million will be spent for 12 months. A team of advisers including at least two EC experts will work with the Committee on Power Engineering. It will deal with the committee's reorganization, the decentralization and breaking up of the state monopoly in the power industry.

A nuclear safety programme has already been agreed on. ECU 11.5 million will be spent on solving urgent problems of Bulgarian power engineering, including the construction of a national radioactive waste storage facility.

"24 CHASA" quotes the National Electricity Company as saying that under the PHARE programme [Economic Reconstruction Aid for Poland and Hungary] Bulgaria's power industry may be granted ECU 24 million instead of 11 million. The European Bank for Reconstruction and Development will finance a feasibility study for the construction of a closed-cycle 7th Unit of the Kozloduy Nuclear Power Plant supplied with nuclear fuel by independent contractors.

According to an article published in "DER SPIEGEL" earlier this week, if Bulgaria accepted the "absurd" price of 1,000 U.S. dollars per kilo of uranium rods offered by Russia and Ukraine, the treatment of the waste stockpiled so far would cost 700,000 million dollars. Negotiations on government and company level for new energy sources and electricity import from Germany and Austria are being hindered by Bulgaria's insolvency and different technical standards, "DER SPIEGEL" wrote.

Havel Gives Reasons for Prosecutor General Recall

LD0303144792 Prague CSTK in English 1636 GMT 2 Mar 92

[Text] Prague March 2 (CSTK)—Ivan Gasparovic was recalled from his post as Czechoslovak prosecutor-general by President Vaclav Havel, the presidential office told CSTK today. According to the office, the reason for Gasparovic's recall was deficiencies in the functioning of Czechoslovakia's general prosecutor's office. Presidential spokesman Michael Zantovsky said at a briefing today that the recall followed a letter sent to Havel by representatives of several major parties in the Czechoslovak parliament.

The Civic Democratic Party (ODS), Civic Democratic Alliance (ODA), Civic Democratic Union-Public Against Violence (ODU-VPN), Christian Democratic Party-Liberal Democratic Party (KDS-LDS)—all right-wing parties—voiced in the letter reservations about Gasparovic. They disapproved of Gasparovic's statement that all objections to him have a common basis—attempts by the Federal Assembly to interfere with the prosecutor's work and to force the prosecutor to break the law. According to the deputies, Gasparovic has no concept for developing the prosecutor's office. The letter also says Gasparovic has no strategy for investigating past human rights abuses and does not deal with cases of secret police (StB) commanders who committed crimes under the former regime. Gasparovic was named to the post by Havel on July 24, 1990.

[Prague CSTK in English at 1301 GMT on 3 March adds: "When explaining the reason for Gasparovic's recall, Havel's spokesman Michael Zantovsky said the president had come to the conclusion that criticism comprised in a letter from four Czechoslovak parliamentary groups reflects, to a considerable extent, the doubts about the work of the Czecho-Slovak general prosecutor's office he had himself."]

Marecek: Calfa Responsible for Feb 1989 Events

LD0203175592 Prague Federal 1 Television Network in Czech 1800 GMT 28 Feb 92

[Text] Miloslav Marecek has been on a hunger strike for 66 days now and he continues to insist on his demands, above all that those responsible for the so-called Law of the Truncheon of February 1989 are punished. Another 14 people are on hunger strike in support of Miloslav Marecek, including Jitka Malikova, a hospital physician in Kyjov.

Today Mrs. Marie Kaplanova, member of the Federal Asembly Commission for Human Rights and National Minorities, and deputy of the Christian Democratic Party, gave a statement on the Marecek case to Czechoslovak television:

[Begin Kaplanova recording] As Mr. Marecek's life is more precious for me than my oath of silence, it is my duty to speak out. I hope that you are going to hear me Mr. Marecek. In spite of the fact that written evidence has become lost, I call you responsible, Mr. Calfa. I have the following reasons for it:

First, it is impossible that you, as head of the legislative power, were totally unaware of the law which was being drafted, as you said in your testimony. Second, the Law of the Truncheon was the most cunningly thought-out law, and it is totally impossible that Indra could devise this legal trick as he was neither a lawyer nor capable enough, as was confirmed also by Mr. Jakes [CPCZ head in 1989]. Third, your testimonies contradict testimonies of four or five witnesses, among them (? Peringl, Josl), and others. Fourth, Dr. (?Ibl) testifies: It is not true that Calfa came and said: You take too long sitting on it, I prefer to take care of it myself. The name of the person who put the question as well as the question put to (?Ibl) was lost from the document. Most probably somebody forgot to take care of this testimony. Fifth, the man who is innocent can speak the truth, Mr. Calfa. Why did you lie? Do you care so little for Mr. Marecek's life that you cannot be bothered to speak out? Sixth, in whose interest is it that the convicting documents get lost? Did you really intend to have it investigated, Mr. Prosecutor General? I am asking you to resign. If Mr. Marecek dies, who is going to be responsible for his death? [end recording]

Calfa Denies Allegations

LD0203180492 Prague Federal 1 Television Network in Czech 2130 GMT 28 Feb 92

[Statement by CSFR Prime Minister Marian Calfa in response to Federal Assembly Deputy Marie Kaplanova's allegations on the Law of the Truncheon of February 1989; in Bratislava on 28 February—recorded, in Slovak]

[Text] Dear television viewers. A while ago you heard the statement by Federal Assembly Deputy Kaplanova. If we disregard the emotive part of her statement, the essence of the statement is the accusation that I was involved in the drafting of the so-called Law of the Truncheon, and a challenge to publicly prove my innocence. The Law of the Truncheon is a legal regulation of the Federal Assembly Presidium passed by that Presidium at the beginning of 1989, and on the basis of which demonstrators protesting against the then regime were being punished. It was not an easy matter.

However, I want to state unequivocally that this legal regulation was approved by the Federal Assembly Presidium. It was not prepared by the government where I worked, I was not involved in its preparation, I did not take part in the discussions about it, and I was never consulted about it. The link between me and this law is an absolutely fabrication.

The worst thing is that this Law of the Truncheon is being linked with Marecek's hunger strike. In a certain way I am also being linked through this bridge with

Marecek. I want to state unequivocally that I believe Marecek does not have any reason to be on a hunger strike for almost three months now. I myself think that it is a tragedy if a man decides to protest in this way. I think that there is no reason for it and that we have sufficient mechanisms to find out the real truth. I think that Marecek, if he can hear these words, will react to them in an appropriate way.

Kaplanova will have to prove in a relevant commission of the Federal Assembly what she claimed here so publicly. It is impossible, at the beginning of 1992, at a time when we are claiming that we are building a law governed state, to make a person prove his innocence. I think that the old principle is—and we want to observe this principle—that a person's guilt must be proven. If this guilt is not proven then this person must be considered innocent. Deputy Kaplanova does not respect this old democratic principle. I personally think that she is using Marecek's hunger strike for political reasons and to gain political capital, and I consider it disgusting to use such reasons.

Havel Discusses Future State System

AU0403112792 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Mar 92 p 3

[Berthold Kohler report: "The Existing State System in Czechoslovakia Must Be Reorganized"]

[Text] Prague, 3 March—"We are certainly facing a great number of complicated negotiations and dramatic moments. However, I do not consider it likely that our country might be split into two states." CSFR President Vaclav Havel, who advocates the continued existence of one state for the Czechs and Slovaks, is confident about this, but he is also aware of the difficulties. After two years of quarrels between the two republics, the president bases his optimism on the declared willingness of the citizens to continue to live in a state with federal structures. According to opinion polls, a clear majority in the Czech and Slovak republic supports a common state, Havel said in an interview with FRANKFURTER ALLGEMEINE.

The president stated that he is "sad" that efforts to reorganize the state system have not been successful after the removal of the communist government in 1989. After elections in June, endeavors must be continued. In February, the compromise reached by the Czech and Slovak parliaments presidiums on the redistribution of competence and the reorganization of the federation was rejected by nationally-minded forces in Slovakia. Progress in this respect is not expected before the elections.

Havel stressed that the current form of the federation "can by no means be preserved." The constitutional system is a legacy of the past, of a "somewhat federalized totalitarianism." He emphasized that the citizens must have the right to decide on the state system. For this reason, he suggested holding a referendum a long time ago. "Paradoxically, the forces that support an independent Slovak state or a very loose federation were vehemently opposed to a referendum."

The president sees various motives behind the rejection of his idea, which was backed by over 2 million citizens who signed a petition. On the one hand, a clear vote for a common state would deprive the separatist forces of arguments for a long time. The obstructionist policy of the (Slovak) opposition against the (Slovak) government might also play a role. After all, there is a general dislike of federal institutions and instruments, Havel stated. Occasionally, there has been talk of a referendum being organized by the Slovak National Council. The "Slovak National Party" and the strong opposition party "Movement for a Democratic Slovakia" in particular, but also parts of the ruling "Christian Democratic Movement" in Slovakia spoke against a nationwide referendum.

The majority of political forces in Slovakia advocate a confederation of two states as a basis for coexistence with the Czechs. The plan of a confederation, however, is rejected vehemently by most politicians in Bohemia. The Czechs are against a confederation because they consider it merely as a transitional phase or a cloak for separation, the president pointed out. Confederations usually do not last very long. Czech politicians tend to believe that, in that case, a separation would be an easier and more useful solution.

Havel stated that he not only considers possible a federation consisting of three parts (Bohemia, Moravia, and Slovakia) but also a federal state consisting of five or six parts. As a writer, he has a great deal of imagination. One may also hold the view that such a system—with the districts of Prague, Silesia, Moravia, and eastern Slovakia—might be advantageous. However, such plans are unrealistic at the moment. Also, "taking the map and drawing lines" would be adopting communist methods. The new order must be the result of natural developments and must be based on general consent, which does not exist at the moment. "First we must find a solution to the relationship between Czechs and Slovaks, then we can calmly think about alternatives."

Havel stressed that he is "not satisfied" with the reappraisal of the communist past. "Like other postcommunist countries, we are struggling with our legacy. So far, we have not found a really intelligent, decent, and really just solution as to how to come to terms with our past." On the one hand, it is clear to everybody that one cannot simply ignore (communist) history and pretend that nothing happened. "A certain inability to reflect upon the past has never paid," the president stated. If people who violated human rights were to remain in their positions, this would cause permanent social tensions. However, the reappraisal of the past must take place in a lawful and civilized manner. It must not take on the character of scandals and witch hunts. "For various reasons, we have not really been able to avoid this."

Havel mentioned his "great reservations" against the "screening law" that he expressed in a letter to parliament. The law bars senior communist officials from assuming positions in the executive and judicial spheres for a period of five years. Havel, who was criticized by former fellow dissidents for agreeing to a new "purge," defended his step. Refusing to sign the law would have been an empty gesture that would have increased tension between himself and parliament, but which would not have had any effect. He chose the constructive way, suggesting an amendment to the law when he signed it.

The president confirmed that he had lost some of his political influence during his two years in office. "The times when everything that I said was carried out immediately belong to the past," he pointed out. However, "this is okay because it is natural." The revolutionary phase is over, and a democratic system is being established in which a "completely natural" tension and a certain balance between the executive, legislative, and judicial elements and the president exists. Parliament would be superfluous if it accepted everything that the president suggests. At the beginning of the year, the deputies rejected four proposals on the reorganization of the political system submitted by Havel.

The president pointed out that parliament is not the only instrument through which he can exert influence. There is also public opinion, he stressed. As a matter of fact, Havel, in sharp contrast to his advisers, continues to be viewed as the most popular and trustworthy politician in the country.

Havel stated that the rejection of his initiatives does not mean that the whole parliament is against him. The current rules make it possible for small groups to block laws as well. His attempt to prevent a paralysis of parliament and to avoid a constitutional crisis has failed because paralysis "is probably already under way." It is "absurd" that one of his proposals that took into consideration the Slovak ideas on the adoption of a new constitution was rejected because of "obstruction" by the Slovak opposition politicians, Havel stressed.

The president declined to answer the question as to whether he will seek another term of office after the elections. One of the preconditions is that all parties support his candidacy. According to the constitution, all three parts of the federal parliament must elect the president in a secret ballot with a three-fifths majority. Running for president without the support of the majority of parliament would be "somewhat ridiculous." However, the stabilization of the political system and the continuation of the reforms is more important than certain persons in certain offices.

As in the past few days, the president again rejected "demagogic" statements in his country claiming that German investments in Czechoslovakia are based on a (German) plan to "purposefully colonize" Czechoslovakia or on the preferential treatment of Germans by the Czech side. Havel pointed out that the "big German neighbor" is quite familiar with the situation in the country, and is also "faster and more patient" than other investors. Referring to the relationship between the Czechs and the Germans, Havel stated that both sides must sincerely study the history of their coexistence. He will continue to urge such efforts. "There is a certain delay because some aspects were put under a taboo for decades." Prejudices were implanted in people's minds, and the citizens were not informed correctly about their own history. Immediately after taking office, Havel condemned the expulsion of the Sudeten Germans as an injustice, and he was strongly criticized for doing so. The president stated that he is confident that the European consciousness will return "very quickly" to Czechoslovakia after the years of isolation. Millions of tourists are visiting Prague, millions of Czechs and Slovaks are traveling abroad, and an international conference is being held in his home country every day. "It seems to me that our country fulfills all conditions for becoming again what it once was: an integral part of a democratic Europe," Havel pointed out.

Carnogursky Views Slovak Independence Aspirations

PM0203155492 Paris LE FIGARO in French 28 Feb 92 p 3

[Interview with Slovak Prime Minister Jan Carnogursky by Xavier Gautier in Bratislava; date not given]

[Text] [Gautier] Will Czechoslovakia still exist at the end of the century?

[Carnogursky] Yes, Czechoslovakia will continue to exist at least until it joins the EC. But not in its present form.

[Gautier] In what form?

[Carnogursky] The bulk of the authority must belong to the two republics—Czech and Slovak. The federal prerogatives will have to be reduced and counterbalanced by elements of a real confederation. The aim is that in 10 years' time, the structures of Czechoslovakia will be modeled on those of the EEC, and, as in Brussels, common responsibilities will belong to the federal structures. However, those which in your country fall within the national domain will have to be the responsibility of the republics.

[Gautier] What is your specific position in the dispute with Prague?

[Carnogursky] I am one of those who want to assert their rights by constitutional means. My government has proposed to the Slovak National Council (Assembly—LE FIGARO editor's note) the adoption of a declaration which decides once and for all the question of whether Slovakia should or should not be sovereign. The majority rejected that. This question will therefore be discussed in the framework of discussions on the new constitution intended to replace the 1968 Constitution.

[Gautier] Following the failure of the recent negotiations in Milovy in Moravia two weeks ago, can an agreement still be reached between the Czechs and Slovaks?

[Carnogursky] The situation has deteriorated. As long as we were having discussions there was still hope of controlling the Slovak nationalist forces. Henceforth, nothing will change until next June's parliamentary elections. The campaign is likely to be focused on the national question and I greatly fear a general overdramatization. The only positive aspect is that the nationalist forces will now have to reveal their true face to the voters.

[Gautier] You are asking for a separate seat for Slovakia in the EEC by the year 2000. Is that not an illusion?

[Carnogursky] Nobody knows the form which the EC will have taken by that date.

[Gautier] However, are you not thus announcing the collapse of Czechoslovakia?

[Carnogursky] I have no desire to destroy an existing state. But, frankly, I do not know what will remain of the Czechoslovak federation in the future. This does not just depend on the Slovaks. What we want is a seat in Brussels, in complete independence, on the same basis as France.

[Gautier] And then?

[Carnogursky] I know that it is pointless to dream of a seat for Slovakia at the United Nations, at least for the time being. We will have to wait.

[Gautier] In Prague, some people are starting to say that, if the Slovaks want to leave, they should do it....

[Carnogursky] But we agree to keep a joint president! We agree to share some ministries, like the foreign affairs and defense ministries and the national bank! Words are unimportant. Switzerland calls itself a confederation and it is a federation. The problem lies elsewhere. Like the independent Soviet republics, we want to be subject to international law.

[Gautier] In practical terms, will Slovakia have its own army as some nationalists are demanding?

[Carnogursky] On this point, I am finding it difficult to answer you. We are about to achieve an agreement. The armed forces will have to be more evenly divided throughout the country. It is also possible to imagine the establishment of special Slovak forces whose command would be in Bratislava. But, in my view, the army does not present any problems.

[Gautier] And yet, it is the question which started the war in Yugoslavia and Georgia....

[Carnogursky] Yes, but we in Czechoslovakia intend to continue to determine our future by negotiation.

[Gautier] Do you want to serve as an example to your neighbors?

[Carnogursky] We are unique in some ways, because we are anxious to solve our problems by coordinating our decisions with the federal government. The Republic of Slovakia is situated in the heart of Central Europe, between Poland, Hungary, Ukraine, and Bohemia-Moravia. No new development of this region is possible without Slovakia.

[Gautier] Are you prepared to pay the same price as your neighbors for the restructuring of your economy?

[Carnogursky] Yes, of course, but we are poorer than the Czechs. So, when some wages were increased, we immediately criticized Prague for it. And yet, the increases were financed by our own budget. The same will be true as long as the difference of level in the Czechs' favor continues.

[Gautier] Does President Havel understand your problems?

[Carnogursky] He is the Czech politician who best understands Slovakia.

KDH Split 'Will Not Affect' Slovak Coalition

LD0303221292 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 3 Mar 92

[Text] We have just received the following information: The internal situation in the Christian Democratic Movement [KDH] was dealt with at an extraordinary session in Bratislava today by the presidium of the movement's council. It noted that political differences between the two currents within the movement which have existed for some time now have intensified in recent days. Discussions and voting have shown that a functioning unity of the movement is not possible at present. The presidium will thus convene a session of the KDH Council in Bratislava on 7 March in Bratislava. The presidium will recommend to the KDH Council that the movement should be transformed into a coalition grouping of two subjects which will go to the election separately with their own programs. This transformation of the movement will not affect the composition of the present Slovak coalition government or the composition of the Slovak National Council Presidium, a communique from the extraordinary session of the KDH Council Presidium says.

Democratic Left Criticizes 'Scapegoat' Politics

LD2802205692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 25 Feb 92

[Interview with Peter Weiss, Party of Democratic Left chairman, by Lydia Mrazova; place and date not given—recorded]

[Text] [Mrazova] In connection with the state organization talks, fingers are being pointed at you accusing you

of being the party which caused the talks to come to a deadlock. Neither you nor I have lived through the fifties, but you mentioned a certain similarity between what used to be called bourgeois nationalism and what today is called Slovak nationalism. Where do you see the similarity?

[Weiss] A game of propaganda is being played here. The Civic Democratic Union-Public Against Violence and the Democratic Party have without doubt reneged on their preelection program, and as a consequence they backed a solution which, although favored by the Czech rightist forces, has not found overall support in the Slovak Republic. They needed a scapegoat. The Party of Democratic Left was the most convenient because it has for two years promoted the concept of a looser, decentralized federation. A blueprint has been created, according to which he who is not for this form of the treaty is against the common state. To sweeten the ideological pill further, a bogey of leftist or socialist nationalists who do not support the common state because they want to go back to the old days has been made up.

In this connection I indeed recalled the campaign against bourgeois nationalists whose only crime was their conscientious defense of the state constitutional program of the Slovak National Uprising [in 1944]. It seems hypocrytical to me, to say the least, when the representatives of the Public Against Violence movement accuse us of all sorts of things. However, when they had an opportunity to vote for 29 August to be marked a public holiday of the Slovak Republic and thus align themselves with a clear state set-up tradition, they did not do so.

[Mrazova] All journalists present at today's news conference have obtained a copy of your preelection appeal to all political parties and movements. Is this your way of asking the representatives of parties and movements to refrain from similar labelling?

[Weiss] I think that political and ideological labelling creates worse conditions for finding a common language. In the case of some politicians, it is simply a matter of a lack of political education, because they use labels which are truly hair-raising because of the ignorance they betray. The purpose of my appeal was simply to stop the attacks and denunciations of the opposition, as they are organized from the political centers. We have a free press and mass communications media, who provide enough space to expose the activities of politicians which are illegal or anti-political in spirit.

Civic Democratic Party To Support Havel Candidacy

LD0303185192 Prague CSTK in English 0915 GMT 3 Mar 92

[Text] New York March 3 (CSTK correspondent)—Czechoslovak Finance Minister and Civic Democratic Party [ODS] Chairman Vaclav Klaus said here last night the ODS plans to support the candidature of Vaclav Havel for Czechoslovak President. Meeting with members of the New York based Council on Foreign Relations, Klaus said he thinks Havel's position will not be touched too much in the June parliamentary elections. Havel remains above political party interests and the pre-election struggle will in principle not influence his position, Klaus said.

Analysing Czechoslovakia's economic development in the past two years, Klaus said that "despite many difficulties we can be proud of what we have achieved in this period. Most significant is that Czechoslovakia has crossed the rubicon and has advanced so much that it is no longer threatened with a return to the past", Klaus stressed.

He described 1990 as a year of political liberalisation and 1991 as a year of economic liberalisation. Klaus considered the main achievements of the past two years to be the end of state paternalism, resumption of the consciousness of individual responsibility, assertion of privatisation and all-round opening up of the country to the world. Klaus sees the biggest problems in the rise of nationalism and excessive politicisation of all spheres of life. He is, however, optimistic as to the preservation of Czechoslovakia's unity although he acknowledges that a possible breakup is a real threat.

Political Parties To Cooperate in Election Runup

LD0303204892 Prague CSTK in English 1405 GMT 3 Mar 92

[Text] Prague March 3 (CSTK)—The Czechoslovak Social Democratic Party (CSSD) and the Liberal Social Union (LSU) have agreed to cooperate in the preelection campaign leading up to elections in June. CSSD Chairman Jiri Horak said the CSSD and LSU have not become partners in a coalition, but said rather that the agreement between them is one of "political tolerance and cooperation". The CSSD will stand alone in the elections, Horak said.

The LSU is made up of the Czechoslovak Socialist Party (CSS), the Greens Party, and Agrarian Party (ZS). In a film by CSSD member and federal parliament deputy Pavel Dostal which was shown today to journalists, Valtr Komarek, a leading figure in the CSSD, outlines his conception of how economic reform in Czechoslovakia should proceed. "It is necessary to embark on a policy of economic recovery, raise the buying power of the population, increase the sale of goods, and minimalise unemployment", Komarek says in the film.

Parties Form 'Left Bloc' Coalition

LD0303184692 Prague CSTK in English 0929 GMT 3 Mar 92

[Text] Prague March 3 (CSTK)—Chairman of the Communist Party of Bohemia and Moravia [KSCM] Jiri Svoboda confirmed Monday that the KSCM has formed a left bloc coalition with the Brno-based Democratic Left

Movement. Svoboda spoke at a party meeting attended also by Richard Sacher, Czechoslovak parliament deputy for the Czechoslovak People's Party. Sacher said it is impossible at present to debolshevise the society in a Bolshevik way. "We need people of good will, not people of right will", he said, adding that he favours a political center orientation.

Party of Democrats '92 for a Common State Formed

AU0303135892 Prague CSTK in English 2057 GMT 1 Mar 92

[Text] Brezova pod Bradlom, Central Slovakia, March 1 (CSTK)—"Democrats '92 for a Common State" [Demokrati '92 Za Spolocny Stat], a new political party, was formed here today in response to what its members said was "irresponsible manoeuvring, populism, nationalism, leftism and a paralysed parliament" on the Czechoslovak political scene. Among those signing a declaration released by the party's preparatory committee were Rudolf Battek, a vice chair of the Federal Assembly (parliament) from the centre-left Civic Movement (OH) and Egon Lansky, currently the spokesman for the Ministry of Foreign Affairs.

Both men's names have appeared before in connection with rumours of the formation of a "presidential party", backing President Vaclav Havel and based in the citizens' initiative "For a Common State", which gathered 2.5 million signatures in support of the Czechoslovak Federation last autumn. "What joins us is that face to face with the merciless results of public opinion polls, we realise that indifference today would mean risking that not only the politics, but also literally the fate of our state, could be surrendered to the mercy of political adventurers", their statement reads.

The grouping offers "efforts to delegate power and decision-making to communities and regions, the will to quickly and strategically solve the burdensome problems of the environment and the will for cooperation and dialogue with all reasonable partners". The Democrats '92 also support "European integration and a quick transition to a market economy, socially just and environmentally responsible, based on private ownership and honest labour".

Tosovsky Warns of Risks With Privatization Funds

AU0203154592 Prague CSTK in English 1512 GMT 28 Feb 92

[Text] Prague Feb 28 (CSTK)—"The behaviour of investment privatisation funds (IPFs) is most risky", Josef Tosovsky, governor of the Czechoslovak State Bank, says in today's Czech daily "MLADA FRONTA DNES". Thousands of state-owned enterprises, worth 260,000 million crowns (8,600 million USd), will be turned into private hands in the first wave of coupon privatisation which will start in April, if privatisation projects are approved by then. Czech and Slovak experts have been evaluating thousands of privatisation projects since January.

Under the coupon privatisation scheme, any Czechoslovak citizen over 18 can buy for 1,000 crowns (33 USd) coupons, which may then be "invested" either in state-owned enterprises or in privatisation investment funds, operating on the model of mutual funds in the West. Tosovsky says the first risk run by the funds, totalling 435 in all Czechoslovakia, stems from their offer to pay 10,000 to 15,000 crowns (333 USd to 500 USd) to each of their share holders in one year. "But they do not know the aggregate property of the privatised firms", he says.

Secondly, they do not know demand. "They may have calculated with four million (people to take part in the privatisation), but few people expected that 8.4 million citizens will register (their coupon booklets) .... The property per person has thus been halved", Tosovsky says. Thirdly, approving privatisation projects has been protracted and "if we know in the autumn the value of shares, the IPFs will have a short time to meet their commitments of January and February to pay 10,000 or 15,000 (to each share holder)", Tosovsky warns.

One of the ways for the funds to get money necessary to honour their commitments is obtaining a credit. However, there is a danger that the credits granted by banks may become irretrievable because they would be provided for something of unknown price, quality and value. The result would be a crisis of the banking sector, Tosovsky says.

Another way for the IPFs is to apply their shares on the market. "It can be expected that at the beginning, offer will highly exceed demand, which means the price may be very low", Tosovsky says. "The third alternative is foreign capital.... I would not like to see foreign capital to get involved in the game at a moment when the price (of shares) will be exceptionally low" because it would "gain big values cheap", Tosovsky warns and says respective legislation is being prepared to prevent this.

If the funds go bankrupt, Tosovsky says, "this would not have to be a tragedy. Citizens would not get the 10,000 or 15,000 crowns each, but the shares in the funds would remain unaffected". "We will try to protect the Czechoslovak economy as well as the citizens. And naturally also the banking system and thus, indirectly, the citizens again because it is their savings that are at stake", Tosovsky says. "We will warn commercial banks not to grant excessive credits to the funds and regulate the influx of cash into the economy... We are also considering whether or not to stop the channels through which foreign capital flows (to Czechoslovakia) for some time, before the capital market is stabilised", Tosovsky says.

Over 8 Million Register for Coupon Privatization

LD0303172792 Prague CSTK in English 1628 GMT 2 Mar 92

[Text] Prague March 2 (CSTK)—After an extension of the deadline from February 17 to February 29, 8,565,642 people in Czechoslovakia registered their coupon booklets to participate in the privatisation of the country's state firms. The coupon privatisation centre today told CSTK that 5,977,466 of those registered are from the Czech Republic (population 10.3 million) and 2,588,176 from Slovakia (population 5.3 million).

Under the coupon privatisation scheme, Czechoslovak citizens may buy for 1,000 crowns (33 USd) a booklet of coupons, or vouchers, which can then be "invested" either in state-owned companies or in private investment funds, operating on the model of mutual funds in the West. As of December 9, 1991 only 275,000 people had registered their coupon booklets, forcing the Finance Ministry to extend the registration deadline. According to Jaroslav Lizner, the centre's director, the final number of registered booklets will be somewhat lower than the current figure which probably includes some booklets that were registered more than once.

Carnogursky on Privatization, Hungarian Property

LD0203184992 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 2 Mar 92

[Magda Pospisilova report on news conference by Slovak Prime Minister Jan Carnogursky in Bratislava on 2 March, including recorded remarks by Carnogursky]

[Excerpt] [Pospisilova] [passage omitted] By the end of last year the courts had rehabilitated over 61,000 persons. The whole process of court rehabilitations should be completed as early as the first quarter of this year. As far as damage claims are concered, more than 16,000 claims were filed. More than 5,000 have been dealt with so far.

As for the second sphere—the process of privatization in trade, services, and industry—for the time being the extent of this can only be estimated. By the end of last year, more than 295,000 private entrepreneurs were registered in Slovakia. This is approximately 11.5% of the overall number of those employed in the Slovak Republic. This, however, does not mean that all of these entrepreneurs are full time businessmen.

[Unidentified correspondent] Are there any figures available on large-scale privatization?

[Pospisilova] In essence only those which are generally known. I will only mention the fact that 736 state, or joint enterprises, or financial institutions were included into the first wave of privatization in Slovakia. During the approval procedure this number may be slightly reduced. The approval procedure, the assessment of privatization projects, should be ended by 15 March. In other words, the planned date should be observed.

Maybe the most controversial issue, at least from the point of view of media interest, and not at all by chance, is the fourth sphere of privatization concerning the so-called transformation law, whether in the sphere of agriculture or housing. A topical issue maybe in connection with the Sudeten German-Czechoslovak relations—but not only because of that—is also the relations between Hungarians and Slovaks. On the claims and rights of former Slovak Hungarians expressed some days ago by the Rakoczi Federation in Budapest, Prime Minister Jan Carnogursky said:

[Carnogursky] Restitutions also include, to a certain extent, citizens of Hungarian nationality and, to a certain extent, also include property expropriated after 1945. We have actually moved further backward from the borderline date of 25 February 1948, or we could say further into the past. From this point of view the Slovak Republic demonstrated in deed too the endeavor to advance fundamental equality and justice among its citizens.

As far as the claims last formulated by the Rakoczi Federation in Budapest are concerned, it is necessary to comment that after 1945, an exchange of people between Hungary and Czechoslovakia occurred, including the exchange of property. Second, in the overall historical framework of events, the historical mandate of the Kosice government program in relation to the Hungarian population ensued from the measures adopted by the Hungarian Horthy government toward the Slovaks on occupied territory in November and December 1938. After the occupation of the southern regions of Slovakia on the basis of the Vienna arbitration, the Slovak population of these regions, namely public notaries, teachers, and some other categories of the population, had six, eight, or 12 hours to pack their most essential belongings and were thus transported to the new Hungarian-Slovak border and left to their fate. This is how the Slovak inhabitants of the southern parts of Slovakia were driven from their homes in November-December 1938.

In other words, the Slovak Government rejects the principle of collective guilt. The Slovak National Council, in its declaration concerning Transcarpathian Germans, moreover explicitly condemns the principle of collective guilt, and that is a principle which we uphold. [passage omitted]

Defends Pace of Privatization

LD0303110392 Prague Stanice Ceskoslovensko Radio Network in Slovak 1700 GMT 2 Mar 92

[Text] Slovak Prime Minister Jan Carnogursky informed journalists today about the process of change in property ownership in the Slovak economy in recent times. Public opinion varies. Many think that the process is too slow. Opposition deputies in the Slovak National Council have proposed recalling Slovak [Privatization] Minister Ivan Miklos. Jan Carnogursky answered a question about what

impact the acceptance of the proposal from the Slovak National Council would have on privatization:

[Begin recording] [Carnogursky] I think it would slow down the privatization and would have negative impact on its course and on the domestic political situation both in Slovakia and in the CSFR, considering we are three months before the election.

[Unidentified journalist] At today's press conference, you heard from the editor of an opposition magazine that he thinks the course of privatization is too fast. What is the real truth?

[Carnogursky] From 1 January of next year—that is, in less than 10 months—West Europe will create a common market for 380 million people. Our, that is both the Slovak and the Czech, aim, is to enter the EC sooner or later, and thus the Common Market. Our 15 million will be a drop in the ocean there. Therefore, if we are to further divide the relatively small Czechoslovak market, it would not be the best preparation for later entry into the bigger market. In other words, when we do enter the big market, we would be worse prepared for its conditions if we do not have a rehearsal now in the smaller framework of Czechoslovakia. [end recording]

69 Percent Polled Lack Confidence in Parliament

AU0203160392 Prague CSTK in English 1556 GMT 27 Feb 92

[Text] Prague Feb 27 (CSTK)— The percentage of the Czechoslovak population expressing trust in their Federal Assembly (parliament) dropped nine percentage points from last November to this February, bottoming out at 26 percent. This drop in confidence is probably connected with the deputies' failure earlier this month to pass legislation on new election laws and on the reconstruction of federal legislative bodies, submitted to them by President Vaclav Havel. Havel himself, meanwhile, retained a high level of trust, 75 percent compared to 72 percent in November. Separating the results by nationality, trust in Havel rose from 83 to 86 percent in the Czech Republic and from 49 to 52 percent in Slovakia.

The statistics were from a poll of 1,112 people conducted by the Prague-based Institute for Public Opinion Research in early February. Interesting in the population's declining trust in the Federal Assembly is the difference between the republics: a 12 percentage point drop in the Czech Republic (from 37 to 25) as against just a two point drop in Slovakia (from 31 to 29).

Little change was registered from November to February in the public's confidence in the Federal, Czech, and Slovak governments (or ministers), the Czech and Slovak parliaments, and the president's advisers—remaining in the mid to low 40's for the legislatures and cabinets, and at around 25 percent for Havel's team at the Prague Castle.

Comparing February's poll to those conducted on the same subject last July, September, and October, it is clear that while Czechoslovak citizens' trust in President Havel and his advisers has remained basically stable—between 70 and 75 percent and 25 and 30 percent, respectively—their confidence in the federal and republic governments and legislatures, i.e., the ministers and deputies, waxes and wanes with their perception of these institutions' effectiveness. No major changes are recorded from month to month when the results are compiled for the federation as a whole, but the swings are more recognizable when the figures are broken down by republic.

[Bratislava NARODNA OBRODA in Slovak on 28 February on page 2 published the following CSTK-attributed table, which provides the complete results of the February poll (the abbreviation "CR" stands for the Czech Republic and the abbreviation "SR" for the Slovak Republic):

Trust and Distrust of Political Institutions in February 1992 (in percent)

	Trust			Distrust		
	CSFR	CR	SR	CSFR	CR	SR
President	75	86	52	23	13	45
Republic Government	44	52	29	49	41	66
Federal Government	43	50	28	52	45	66
National Council	40	47	26	52	44	68
Federal Assembly	26	25	29	69	71	64
President's Assistants	24	29	15	63	59	70

HZDS Favored in Slovakia To Win Elections

AU2902152092 Bratislava NARODNA OBRODA in Slovak 26 Feb 92 p 3

["BB" report: "Whom Would We Vote For"]

[Text] The Institute for Public Opinion Research at the Slovak Statistical Office in Bratislava has compiled the following interesting table based on the responses given by a few hundred adult men and women of various age and education and by people of various ethnic origin in various parts of Slovakia, who are going to vote. The data were collected at the beginning of February. The

first position in the table is taken by the For a Democratic Slovakia Movement [HZDS], followed by the Christian Democratic Movement [KDH], the Party of the Democratic Left [SDL] and the Slovak National Party [SNS].

Compared with polls in January, the SNS made noteworthy progress, gaining 3.6 percent. Could it be that the party's agreement on close cooperation with the Slovak National Democratic Movement [SNDH] (P. Brnak) has helped this party? The Green Party in Slovakia and the Democratic Party improved their positions slightly. The Hungarian Civic Party can be encouraged by the fact that, compared with zero support in January, it has gained 1.2 percent support in February. Maybe the party has become more widely known to the public due to the congress at which the party transformed itself from the movement (Hungarian National Initiative) into a party (Hungarian Civic Party) [MOS]. In contrast with that, the public's pre-election preferences for the Civic Democratic Union - Public Against Violence [ODU-VPN] have dropped, and so did those for the Social Democratic Party in Slovakia, Coexistence-Eguytteles, and the Party of National Unification of Slovaks. However, it is impossible to draw conclusions from slight variations of one percent—or fractions of a percent—despite the fact that for some political parties this represents significant part of their voters' preferences!

It is important—and we cannot see it in the table—that the percentage of those who say they are going to vote dropped, slightly, to 64 percent. It is significant that two-thirds of the respondents who are going to vote would vote only for one party (movement) for the Slovak National Council and both chambers of the Federal Assembly; 20 percent would vote for two parties; and one-tenth would vote even for three political entities.

A retroactive look tells us that no party in the lowest positions in the table has been able to disrupt the stable position of the four largest political parties, and nothing suggests that it could happen and elections are approaching quickly.

Elections to the Slovak National Council

Political Party	January 92	February 92
HZDS	39.0	38.1
KDH	15.7	14.7
SDL	14.2	14.5
SNS	10.6	14.2
Green Party in Slovakia	3.1	3.3
Democratic Party	2.5	3.0
ODU-VPN	2.6	2.2
Coexistence-Eguytteles	2.5	1.7
MOS	0.0	1.2
Farmers' Party in Slovakia	0.8	0.8
Social Democratic Party in Slovakia	2.0	0.7
Hungarian Christian Democratic Movement	0.8	0.7
Slovak National Unity Party	1.7	0.7
Other parties (movements)	2.0	0.5
Undecided	2.5	3.7

Bucharest Radio Interviews Goncz on Relations

AU0203210692 Bucharest Radio Romania Network in Romanian 1800 GMT 2 Mar 92

[Text] In an interview with our station, Arpad Goncz, president of the Hungarian Republic, talked about the reform processes in his country, saying that they are in full swing and that the legal and financial framework for their healthy development exists. Concerning Hungary's relations with neighboring countries, Goncz said, quote: Our coexistence with the neighboring countries has led, through the centuries, to a cultural and intellectual affinity and created the basic conditions for mutual friendship and understanding. I believe, he went on to say, that Hungarian-Romanian relations are among the priority concerns of our foreign policy. Saying that East Europe is a mosaic of nations, Goncz said that the differences emerging among various nationalities should be considered as values, not as potential threats. There is always the danger, due to century-long suspicions and [word indistinct] that one of the national minorities in one or both of our countries should play a main role on the chess board of domestic policy. This, Goncz said, is a great domestic policy temptation which should be resisted.

Defense Ministry Spokesman Keleti Resigns

LD0403102992 Budapest MTI in English 0811 GMT 4 Mar 92

[Text] Budapest, March 4 (MTI)—Defence Ministry Spokesman Col. Gyorgy Keleti asked minister Lajos Fur to relieve him of his post. The spokesman said that his leaving after more than 28 years in military service is associated with the recent changes in ministry personnel and organization. Keleti said on radio this morning that he was finding increasingly difficult to get access to information within the ministry. According to MTI's information, he has also been the target of politically-charged accusations. Col. Keleti was the last officer of the rank of ministry department head appointed before May 1990 who was still on the post.

Interviewed on Resignation

LD0403114892 Budapest Kossuth Radio Network in Hungarian 0700 GMT 4 Mar 92

[Interview with Defense Ministry Spokesman Gyorgy Keleti by Dorottya Adorjan; place and date not given—recorded]

[Text] [Keleti] I have not yet had the opportunity to talk to the defense minister. For this reason I would not like to talk about the reasons which led me to this. After all, I consider it correct that I should first be able to speak to the minister. However, there are a few thoughts which I can impart to you. What has induced me to submit my resignation to the minister are the changes that have occurred in my working conditions and that I have felt around me in recent months and weeks.

[Adorjan] What do you mean by this more precisely?

[Keleti] First and foremost, my opportunities for gathering information and finding out the news have lately become very considerably restricted in the Defense Ministry. In other words, I have not been getting access to information and reports in such a way as to be able to perform my duties in a decent and honorable manner. I believe that a spokesman can be a spokesman only if he knows what is going on, if he knows the interconnections, for it is then that he can say something to the members of the press.

[Adorjan] According to MAGYAR HIRLAP, several people have reproached you with being a sympathizer of the Socialist Party. Could this have anything to do with the fact that your conditions have changed?

[Keleti] I do not know. I would not draw such a sweeping conclusion because I do not know exactly why my working conditions have been restricted, or rather the reasons that have prompted some of my colleagues in the Defense Ministry to maintain relations in my regard, if I may put it this way, in what is not the most appropriate of ways.

'Irregular Transactions' in Defense Ministry

LD2802161292 Budapest MTI in English 1745 GMT 27 Feb 92

[Text] Budapest, February 27 (MTI)—A state audit office inquiry has revealed a number of irregular transactions in the Defence Ministry's financial management. Using double-entry book-keeping, they could transfer 3.5 billion forints from the state budget onto their own accounts, audit office president Istvan Hagelmayer told reporters in parliament today. Dubious financial manoeuvres continued after 1990 despite the stoppage of two "money-absorbing" deposit accounts at the minister's order on June 30 and August 1, 1990. No one was found to have personally benefitted from the deals, journalists were told. Under the present laws, the minister is not accountable for financial matters.

Coalition Continues Cooperation in Parliament

AU0203130292 Budapest MTI in English 1555 GMT 28 Mar 92

[Text] Budapest 28 Mar (MTI)—"The survival of the government coalition remains a historic necessity and a national interest. Any attempts to negate its existence and inevitability essentially threaten country-building work and, deliberately or not, will serve a return to dictatorship," reads yesterday's statement signed by the parliamentary faction leaders of the Hungarian Democratic Forum (HDF), the Independent Smallholders' Party (ISP) and the Christian Democratic People's Party (CDPP): Imre Konya, Gyula Pasztor and Tibor Fuzessy.

Details about the Thursday [27 February] faction meeting were revealed to reporters today. A preliminary to the affair was that ISP's parliamentary arm split to

form a 33-member and a 12-member group, of which president Jozsef Torgyan is a member. Last weekend, Torgyan announced the party's withdrawl from the coalition, and this week two of the 12 joined the other group which includes faction leader Gyula Pasztor. With the government having the support of the other 35, the coalition has retained its majority in parliament.

The three factions will set up a coordination committee of coalition party members in parliament by March 10 to discuss bills before going to parliament, journalists were told. The committee will also have a right to make proposals and comments when the government is reshuffled.

Entz Interviewed on Minorities Issue

AU2702140992 Budapest MAGYAR HIRLAP in Hungarian 19 Feb 92 p 8

[Interview with Geza Entz, political state secretary at the Prime Minister's Office Secretariat for Hungarians Living Beyond the Border, by Janos A. Szilagyi; place and date not given: "We Do Not Want Political Window-Dressing"]

[Text] Geza Entz spoke to our correspondent about the situation of national minorities in Hungary and beyond Hungary's borders.

[Szilagyi] Why was the Secretariat for Hungarians Living Beyond the Border established?

[Entz] At least 3.5 million Hungarians are living in the neighboring countries, and they consider themselves part of the Hungarian nation in a natural way. Their fate greatly influences our relations with the neighboring countries. As a result of the democratic changes, Hungarians living as a minority were able to establish their independent organizations. The basic task of our secretariat is to maintain links with these organizations and to represent the interests of Hungarians living beyond our borders in international diplomacy. An independent organization, the Office for Ethnic and National Minorities, deals with the problems of minorities in Hungary because this is a domestic political issue.

[Szilagyi] What kind of relations do the two organizations have? Do you have a say, for example, in the bill on national minorities that is being drafted?

[Entz] A day-to-day contact has recently developed between the two offices. There has to be a uniform attitude in the way the national minority issue is treated, no matter where it is implemented; therefore, we have formed close working links in drafting the bill on national minorities.

[Szilagyi] Did the affected national minorities in Hungary have a chance to influence this bill?

[Entz] The government requested the opinion of the legitimate organizations of national minorities in Hungary. This is why the National Minority Roundtable was set up. The drafting lasting many months in many phases began, and all organizations had a chance to express their views. As a result, a draft was drawn up where a consensus was achieved in the basic issues and two alternatives were suggested in the details. This provided the basis for the consensus between the government and the national minority organizations.

[Szilagyi] To what extent is the secretariat hindered in its work for the interests of the Hungarians beyond the borders by the fact that unresolved national minority problems also exist in Hungary?

[Entz] National minority problems have to be resolved because they are fundamental domestic political issues of the given countries and not because a country did this or that. Objections would be raised no matter how we treated the national minority issue. I do not think it is logical to link the two issues. We do not want to do window-dressing, and we are not trying to get Parliament to pass a model bill on national minorities. We must make a good law to help the life of national minorities in Hungary and not to make other countries copy our practices. As a matter of fact, the situation of minorities in Hungary is completely different from that of the neighboring countries because here, they are dispersed and do not live in large groups. This is precisely why it is much more difficult and complicated to resolve the emegring issues.

[Szilagyi] The U.S. Government report on the position of national minorities in Hungary was published recently. The assessment was basically good, but it emphasized that anti-Semitism was still alive and anti-gypsy feelings were increasing. Do such phenomena hinder the representation of Hungarian minorities at international forums?

[Entz] Such and similar problems exist everywhere in the world. In Hungary, the greatest problem is the Gypsy issue. No one in the world has yet been able to cope with this adequately. It is the task of the current and the coming generations to eliminate the existing disadvantages. Actually, the Gypsy ethnic group lives in an even more difficult situation in the neighboring countries.

[Szilagyi] What role could be played by a West European-style national minority law in furthering the economic and social change of system in Hungary?

[Entz] In my view, passing the law on national minorities in local governments is the most determining factor of legislation. If national minority local governments are established, on the one hand, this will prove the existence of an active and self-conscious minority, and on the other, this minority will have a chance to take responsibility for its own affairs. This way, the existing—partly artificial—tensions can be reduced. We need a clear framework to make it obvious how many national minority Hungarian citizens we have, where they live, and what they really want; making all these things clear can considerably contribute to establishing a real peace in society.

[Szilagyi] Is the financial background of national minority policy ensured?

[Entz] I am not competent to talk about the domestic aspects but, as far as I know, the government included these expenses in the budget. As for the financial conditions relating to Hungarians living beyond our border, our activity mainly belongs to foreign policy which has a secure financial background. National minority Hungarian organizations are supported on a broad social basis, and the Hungarian society devotes a considerable effort to help them. The most important thing would be to have agreements and treaties with the neighboring countries that settle this issue according to European norms. We have already made such agreements with the Ukraine, Croatia also joined this, and we also have good relations with Slovenia in this respect. It would be very significant if we were able to include this kind of support in the interstate cooperation. Our diplomatic efforts are aimed in this direction.

Role of Compensation Vouchers in Privatization

LD0303104292 Budapest Kossuth Radio Network in Hungarian 1500 GMT 2 MAR 92

[Text] Two and a half million citizens are affected by the fact that the first compensation vouchers can be collected from 30 March. Julia Pfeiffer reports.

[Pfeiffer] The biggest problem is that during the past decades people have forgotten the terminology—enterprise, share, dividend, profit, risk. However, these should already have been learned now. For this reason, even if there is a change of government, the principle that the basis of the economy is private property, will remain unchanged.

Dr. Tamas Sepsey, chairman of the National Office for Settling Damages and Compensation, began his press briefing with these words. Then he analyzed the data received. Eight hundred and thirty thousand people have handed in their application for compensation and, if we multiply this by three—by the number of people living in an average Hungarian family—then 2.5 million people will have an interest in compensation. The majority of applicants are claiming their lands back even their lands did not exceed the size of a handkerchief. Now the applications and golden crown values [traditional estimate of the value of lands based on the fertility of the soil] are being cross checked. Nevertheless, if everything goes well, where these procedures are followed, the first compensation vouchers can be collected from 30 March onward. Therefore, the state secretary gave a most detailed and extensive account of how they can be used. Land, apartments, a business, or a share in a business can be acquired. One can participate in auctions with compensation vouchers. These auctions cannot be repeated. Consequently, if someone forgets his voucher at home, even if it is his own, he will lose the claim to the property. It was also said that the compensation voucher can also be taken to the stock exchange—shares can also be bought with it and then resold. In short, a risk can be incurred.

State Privatization Agency Releases Annual Figures

LD0303171892 Budapest MTI in English 1710 GMT 2 Mar 92

[Text] Budapest, March 2 (MTI-ECONEWS)—Between 31 March 1990 and 31 January 1992 the State Property Agency [SPA] had an income 17.37 billion forints from the sale of 217 companies. The total SPA income from privatization and the sale of state assets stood at 40.12 billion forints as of 31 December 1991, the latest figures published by the SPA show .

The SPA's income in January this year was 10.3 billion forints. Of the SPA income in 1991, 22.74 billion forints went directly to reduce the state debt, 12.76 billion went into the state budget, and 1.12 billion forints went back to privatized companies. Of the 10.3 billion forints income in January, the SPA paid 3.09 billion towards reducing the state debt, 6.67 billion into the state budget and 0.27 billion to the privatized companies.

The SPA approved the conversion of 242 companies between 31 March 1990 and 31 January 1992. The book value of these companies was 350.9 billion forints, and their assets were valued at 473.15 billion forints. The SPA declined to approve the conversion of 11 companies with total assets of 5.04 billion forints in the same period. 190 companies were involved in management or investor-initiated privatization and 34 companies in self-initiated privatization programmes between 31 March 1990 and 31 January 1992.

On 31 January, 604 company conversions were in progress, and the book value of the companies involved was 238.01 billion forints. 100 companies, with a total book value of 101.88 billion forints, were involved in SPA-initiated privatization on 31 January. 339 companies, with a book value of 17.2 billion forints, were involved in self-initiated privatization and 165 companies of 118.93 billion forints, book value were affected by management or investor-initiated privatization, the SPA figures show.

Smuggled Uranium Dioxide Found in Boarding House

LD0203225192 Budapest MTI in English 2048 GMT 29 Feb 92

[Text] Budapest, February 29 (MTI)—The Hungarian police has found 55 uranium dioxide pastilles in the safe of a boarding-house of Szanazug, a holiday village in southeast Hungary, a police officer told a news conference in Bekescsaba. The pastilles, weighing 0.8 kilograms in all, were wrapped in a lead coat and hidden in a plastic shopping bag. Investigation started on January 31 when

the Romanian police informed their Hungarian partners that Romanian smugglers were supposed to have taken the pastilles to Hungary.

According to experts, the pastilles are made of nonenriched Uranium, a natural radioactive material whose level of radiation does not surpass the limit still accepted at workplaces with radiation danger. Supposedly, the smugglers wanted to take the pastilles to another country.

Ministry Signs Economic Agreement With Russia

LD0203192692 Budapest MTI in English 2030 GMT 28 Feb 92

[Text] Budapest, February 28 (MTI)—The Hungarian and Russian ministries of agriculture signed an agreement on economic, technical, scientific and production cooperation, a ministry official told MTI. The two ministries, officials held talks on the development of cooperation in Budapest between February 24 and 28. The Hungarian side handed over a list of products it was prepared to supply to the Russian Federation as a part of humanitarian aid the Western states provide for the Commonwealth of Independent States under the decision of the Washington conference.

Katona Urges Approval of UN Troops' Transit

LD0203191192 Budapest Kossuth Radio Network in Hungarian 1426 GMT 2 Mar 92

[Speech by Tamas Katona, state secretary for foreign affairs, at the Hungarian National Assembly session in Budapest on 2 March—live]

[Excerpts] [Speaker Gyorgy Szabad] Esteemed National Assembly. I announce that our government, requesting an urgent debate, has submitted its draft National Assembly resolution No. 5158 on the transit of the UN peacekeeping forces through Hungary. [passage omitted]

I ask Tamas Katona, state secretary for foreign affairs, whether he wishes to make observations in connection with the submission of the draft resolution.

[Katona] Yes, thank you Mr. Speaker. Esteemed National Assembly, on 21 February the UN Security Council, made a long-awaited and unanimous decision to send peacekeeping troops to Croatia. Between making the decision and the government submission for a decision we have received a request from a foreign country, inquiring whether there is a means for these troops to be transported across Hungary's territory. To this, however, in the terms of the Constitution, the National Assembly's assent is naturally necessary. That is why the government asks for this issue to be discussed, and that is why we must also respectfully request that this discussion be urgent. Until the National Assembly has made a decision we cannot give a binding reply to these requests. If there is a country that is interested in seeing peace at last among the southern Slav peoples after senseless bloodshed which nothing can justify, if these troops have something to keep in the country, well, then first and foremost Hungary is affected by this. For this very reason I think that in the interest of a peaceful unfolding I may ask the esteemed House to debate this in an urgent manner.

The decision made by the Security Council calls on the governments to permit the transit of peacekeeping forces, including personnel and equipment, and to facilitate it with every possible means. This is what we, too, would like to do. For this very reason—requesting that permission be granted for this transit—what we would like these blue helmuts to be able to begin their beneficient activity as soon as possible. I respectfully request the National Assembly to give the green light to the blue helmuts with urgency and unanimously.

[Szabad] Thank you. Esteemed National Assembly, I ask therefore, whether the National Assembly agrees with the government submission being put to an urgent debate. The decision is about to be made. I ask you to vote now. I state that the National Assembly, with four state secretarial votes, and 257 votes for, has decided unanimously in favor of the proposal being put to an urgent debate. [passage omitted]

Deputies Agree With Decision

LD0303140192 Budapest Kossuth Radio Network in Hungarian 1100 GMT 3 Mar 92

[Excerpts] This morning the National Assembly decided to allow UN peacekeeping forces to pass through Hungary on their way to Yugoslavia. [passage omitted]

Istvan Hegedues, an MP [member of parliament] of the Federation of Young Democrats, speaking on behalf of the foreign affairs and defense committees, said that all parties' deputies agree with the government's proposal. It is probable that only a small part of the 10-15,000-strong UN military force will wish to pass through our country. So far, a request has been received relating to a 900-strong French infantry battalion and their transport vehicles.

A debate developed about precisely how many soldiers will be staying in our country and for how long. According to Imre Mecs, an MP of the Alliance of Free Democrats [SzDSz], authorization should be granted for one year only. However, the government did not consider this option.

Most of the contributions concerned whether the National Assembly should also permit the temporary stationing of UN troops, in addition to their transit. The two committees did not support this yesterday. And today, Imre Mecs added that the issue revives unpleasant historical memories. General Bela Kiraly, of the SzDSz, and Andras Pap, of the Hungarian Democratic Forum,

pointed out that since the peacekeeping forces cannot get involved in battles, they might have to withdraw to Hungarian territory.

Prime Minister Jozsef Antall also asked that the MPs adopt the government's proposal and that they trust the government to use the authorization in an appropriate manner. The members of the foreign affairs and defense committees also accepted the prime minister's arguments, which, however, were not heard at their session yesterday.

The National Assembly's final decision, therefore, is as follows: The units of the peacekeeping forces drawn up on the terms of the UN Security Council decision can pass through Hungary and remain there temporarily. The document does not contain any stipulation as to time. [passage omitted]

Interim EC Trade Agreement Effective 1 Mar

LD0103194992 Budapest MTI in English 1711 GMT 1 Mar 92

[Text] Budapest, March 1 (MTI)—The trade chapters of the Association Agreement Hungary and the European Community signed in Brussels on December 16, 1992 came into force today. The interim agreement eliminates all quantitative restrictions in regard to Hungarian industrial exports (save textiles). Over 70 percent of these products have now become duty-free, while the rest of duties will be reduced to zero in stages, in five years.

Customs duties for steel will be reduced by 20 percent in the first stage, and wholly eliminated in five years. (the EC expects voluntary export restriction, from Hungary). Quantiative restrictions on textile exports will be lifted in five years under a schedule to be specified later. Textiles manufactured under contract have now become duty free, and customs duties for other textiles reduced by 29 percent. These duties will be eliminated in six years.

As far as agricultural products are concerned, the sides grant one another mutual preferences. In the next three years, the European Community will reduce customs duties for Hungarian exports by 20 percent annually. The quotas of farm products falling under preferential treatment will be raised by an annual 10 percent in the next five years. With the interim agreement coming into force, customs duties are reduced by 20 percent.

The free trade zone will be established asymmetrically, with the EC granting preferences more rapidly and providing a 4-5-year period of grace for Hungary.

On March 1, Hungary reduced customs duties for 15 percent of industrial imports from the EC. These duties will be eliminated in three stages, by January 1, 1994. All the other industrial imports will become duty-free by December 31, 2000. Under the interim agreement, Hungary has the right to protect its new industries or its branches undergoing reconstruction by increasing customs duties in the transition period.

As far as agricultural imports are concerned, Hungary grants much smaller preferences than the ones it receives. These preferences are mainly granted to farm products that pose no challenge to Hungarian producers.

News Conference Details Agreement

LD0203173992 Budapest MTI in English 1614 GMT 2 Mar 92

[Text] Budapest, March 2 (MTI)—Free trade betwen Hungary and the EC countries, excluding agricultural products, starts on January 1, 2001.

In six years, however, Hungary will already be exempt from duty worth 400 million dollars, head of the European Affairs Office Endre Juhasz said today at a news conference about the interim agreement with the EC.

The interim agreement takes effect on December 31, 1992 and will superceded by the Association Agreement on January 1, 1993 at the latest. The two agreements will bring about a free-trade zone, excluding agricultural products, between the 12 EC countries and Hungary by December 31, 2000. Trade will be asymmetrical, meaning that the EC-granted benefits will be returned by Hungary only later.

The community has lifted all quantitative quotas on a major part of Hungarian industrial products, except textiles, covering 60 per cent of total hungarian exports. Over 70 per cent of Hungarian exports in this group are already duty-free, with duties on the remaining products to be scrapped over five years.

Hungary will start dismantling quantiative restrictions on January 1, 1995, and should be completed by December 31, 2000. Duties on a meagre part of Ec imports will be abolished in two years' time, when a quarter of Hungarian imports from EC countries will be duty-free.

Under the agreement, during the transition period Hungary may raise duties unilaterally in order to protect a new industry or a branch under restructuring.

The Association Agreement does not involve free trade in agricultural products; here separate accords apply which grant mutual benefits on certain products. Ec benefits cover about 75 per cent of Hungarian farm exports.

Walesa Rejects Vatican-U.S. Conspiracy Theory

PM0203111892 Rome L'ESPRESSO in Italian 1 Mar 92 pp 64-67

[Interview with President Lech Walesa by Wlodek Goldkorn in Warsaw; date not given]

[Text] Lech Walesa was in excellent form. Slimmer, and in a good mood, surrounded by a throng of aides acting as his audience, responding, laughing, and applauding. The Polish president was granting his first interview since the American weekly TIME magazine published an article by Carl Bernstein—the Watergate journalist—revealing that in the eighties Pope Wojtyla and former American President Ronald Reagan conspired to overthrow the military communist regime in Poland—the regime established by General Jaruzelski in a coup in December 1981. According to Bernstein, Solidarity was financed by the CIA.

After expressing his great admiration for America ("the only Western country that supports and understands the reforms in the East"), President Walesa voiced his opinion of the theories propounded by the author of the TIME magazine article. He denied the conspiracy, but stressed the great role played by the church in the anticommunist resistance.

"TIME magazine's theories are ridiculous," he said. "They have mixed up real facts together with suppositions. Since the division of Europe decreed in Yalta was obviously a disaster and clearly unjust, it was logical and normal for it to be felt necessary to transcend it. It is equally obvious that a pope who grew up among these people could not accept the Poles' suffering without reacting. It is also public knowledge that Reagan did not like communism. But you cannot conclude from all this that there was a conspiracy between the two. I think TIME magazine went too far with its interpretation."

[Goldkorn] So are you saying that there was no conspiracy between Washington and the Vatican, but simply a similarity of interests and therefore also practical coordination?

[Walesa] I am saying that anyone with any common sense could see that communism, from its conceptual foundations, was entirely unsuited to the life of society and mankind as a whole. And that it was therefore necessary to act. But remember that an army has several tasks. So Reagan acted one way, whereas the Holy Father acted in another.

[Goldkorn] What did the pope do?

[Walesa] The Holy Father did his utmost to change the world, to ensure respect for the real values, and to ensure that the church could act freely. In other words, the pope met his institutional and human obligations.

[Goldkorn] What about Ronald Reagan?

[Walesa] Reagan acted at another level more in keeping with the president of such a major power as the United States. So even if both men's actions were addressed to the same geographical area and had similar aims, there was certainly no conspiracy.

[Goldkorn] The author of the TIME magazine item argues that the church prevented you, Mr. Walesa, from taking actions that were judged too radical, if not actually extremist. Is this claim true?

[Walesa] It depends on what you mean by the church, because the church is the congregation of all the faithful.

[Goldkorn] Mr. President, in this context the church means the hierarchy.

[Walesa] Look, from the intellectual viewpoint, the hierarchy stands above the average, the man in the street. What I mean is that any member of the hierarchy has undergone higher education, has a degree, has greater cultural assets than someone who comes directly from the masses. So the bishops, being better educated, also have a sharper perception of the social situation, of the impending threats and dangers. And indeed they did perform an excellent role. The church always worked to ensure that our struggle was waged with nonviolent, peaceful methods. In fact the bishops and priests exhorted us not to provoke violent reactions from our adversaries. All this, to avert bloodshed and the destruction of spiritual values, but of material assets, too.

[Goldkorn] So did the church curb Solidarity's hotheads?

[Walesa] It depends on your viewpoint. A journalist who is a nonbeliever, not a Catholic, will judge the church's action as moderating, as a curb, in fact. But as a Catholic, I remain convinced that the church did its duty and that it remained loyal to its teaching of love and nonviolence.

[Goldkorn] Mr. President, do you or do you not deny the claim that the bishops told you what to do and how to behave in some situations in the eighties?

[Walesa] The church is too wise to act so directly. Such a theory could only have been invented by someone who understands absolutely nothing about church affairs. Nonbelievers would do better not to concern themselves with the church.

[Goldkorn] Mr. President, to say, as you do, that only Catholics should deal with church affairs sounds like clericalism.

[Walesa] Yes, I know. I am accused of clericalism because I have a chaplain here in the Belwedr Palace, because I go to mass every morning. But this charge is entirely unfounded. In my opinion, everyone must participate in the country's life—but participating does not mean leading. Everyone, including the church, must know their proper role in social and political life.

[Goldkorn] Let us talk about your former great adversary, General Jaruzelski. How do you judge him?

[Walesa] I do not want to judge, because I do not want to be judged, either. But I can say that it was his fault that Polish society became tragically split. People were forced to join the official trade unions and other institutions hated by the masses who supported Solidarity. And now those who misbehaved at that time—because they were forced, or because they not brave enough—feel that they bear some kind of moral handicap. They are unable to devote all their energies to the country's reconstruction. So the division of the country into "goodies" and "baddies," vestiges of which endure even today, was Jaruzelski's worst offense.

[Goldkorn] But the general saved Poland from a Soviet invasion, did he not?

[Walesa] I do not know. Frankly, too little is still known about the actual situation in 1981. But I certainly cannot rule out the possibility that, had it not been for him and his cursed coup, instead of me, there would be an emperor with a red star on his military cap here in the Belwedr. But all this is something for the historians, not for politicians.

[Goldkorn] But do you think that the communist past is still a matter for the criminal courts, as some politicians in Poland and other former communist countries argue?

[Walesa] Yes, partly for the criminal courts. But only in the case of real crimes. I will admit to you, however, that I think that there is too much talk about the past. Communism has been defeated and certainly will not return. Now, instead of attacking our past enemy, we need to build the future.

[Goldkorn] So let us talk about the present and the future. At one time Poland provided a model for the transition from communism to democracy and capitalism. Now, however, your country risks becoming a negative model, especially regarding its economic situation.

[Walesa] It was inevitable. Those who lead, who blaze the trail, commit more errors than those who follow them. What I mean is that in recent years Poland has been a huge area for social, political, and economic experimentation, and now we are all paying a kind of tax, or toll, for having dared to be the first to act.

[Goldkorn] Do you have any ideas of your own about how to extricate Poland from the crisis?

[Walesa] Yes, I have had some, and I will have more in the future. First, it is necessary to establish a clear strategy. We must know what we want to achieve. Only after that can the methods of action be found. What we lack now is an overall plan.

Parys Says Enterprises May Supply U.S. Army

LD0303154292 Warsaw PAP in English 2259 GMT 2 Mar 92

[Text] Warsaw, March 2 (PAP)—There is a possibility of Polish enterprises' participation in tender for supplies of various commodities to the American Army based in Europe and in the United States, said Polish Minister of National Defence Jan Parys after a Monday [2 March] meeting with U.S. Under Secretary of State for Economic Affairs Robert Zoellick. Minister Parys added that there was an opportunity for Poland to buy military equipment in the United States but Poland did not have enough money to order equipment abroad. Security matters were also subject of talks between Polish defence minister and the American under secretary of state. The American guest also held talks Monday at the Ministry of Finance.

Spokesman: No Withdrawal Date for Soviet Troops

LD0303225692 Warsaw PAP in English 1607 GMT 3 Mar 92

[Text] Warsaw, March 3—The only information on pullout dates of the units of former Soviet Army stationed in Poland are given by garrison commanders to local Polish authorities, a spokesman for the Polish commissioner in charge of stationing Soviet troops said Tuesday [3 March]. He added that such information cannot be regarded as official and binding. "The Polish side has not received from the Russian side any withdrawal schedule," Col. Stefan Golebiowski went on. "The Russians have made this conditional on the signing of an agreement on financial aspects of the withdrawal." According to a treaty initialled last autumn, all combat units of the former Soviet Army are to pull out from Poland by 15 November 1992.

Democratic Union's Lytinski on Party Aims

PM0203151192 Lodz GLOS PORANNY in Polish 19 Feb 92 p 6

[Interview with Sejm Deputy Jan Litynski, Democratic Union Presidium member, by unidentified correspondent; place and date not given]

[Text] [GLOS PORANNY] Accusations leveled against the Democratic Union claim that it fails to show much interest in talks on broadening the government's political base. How much truth is there in these charges?

[Litynski] We insisted from the very beginning that our aim was to establish a program-based coalition which could provide a platform for forming a government. Moreover, we are always ready to begin talks with those who are prepared to consider our terms in relation to the economy and general policy-making principles.

[GLOS PORANNY] Did the talks which the Kaczynski brothers held with the Union concern also personnel

matters? Maybe their aim was to find an incumbent for the vacant post of deputy premier?

[Litynski] If we were to hold talks on this subject, we would first have to be satisfied that program-related issues have been successfully solved.

[GLOS PORANNY] Is it not true that relations between the Democratic Union and the Center Alliance—as a member of the ruling coalition—have cooled considerably as a result of the decision to demote certain members of your party from their posts as vice ministers in the present government?

[Litynski] It seems to me that there is a certain lack of consistency in public declarations made by the premier and members of the coalition. On the one hand there is talk of the need to broaden the base for the government coalition by including the Democratic Union in it, and on the other hand people who are believed to have links with the Union are being removed from their positions both in the central government and in local administration. Such inconsistent approach is not conducive to successful talks and negotiations.

[GLOS PORANNY] It is said that you have also found the liberals disappointing....

[Litynski] No. We have always regarded them as a group which was closest to us in outlook. The only time when chances for our cooperation with the liberals were damaged was when they took part in forming the "coalition of five." That maneuver ended in their defeat, but we harbor no resentment against them now. According to the majority of our members, a coalition is impossible without cooperation with the liberals. This is not dictated by sentimental reasons, but by the obvious need to coordinate and share our programs.

[GLOS PORANNY] There is constant speculation about the possibility of setting up two major blocs: Christian Democrats in alliance with the peasant parties and Prime Minister Olszewski, and a center-right configuration in alliance with the Kaczynski brothers. How does the Democratic Union view these arrangements?

[Litynski] We continue to stress that we want to establish a center bloc, that is, veering neither to the left nor to the right. We also point out very clearly that in such a bloc there would be room for the liberals on the one side and for the Center Alliance on the other side.

[GLOS PORANNY] Today almost all parties show internal conflicts or even internal divisions. Do you not believe that soon we will witness a number of significant reshuffles on the Polish political scene?

[Litynski] Some observers believe that the formations which emerged as a result of transformations over the past two years are very unstable. I find it hard to formulate opinions about other parties but, as regards the Democratic Union, I believe that it is a stable and solid formation. Some say that the Democratic Union lacks internal cohesion. In my opinion, that could be its strength rather than its weakness.

[GLOS PORANNY] But would you not agree that a fragmentation of the political scene is not conducive to forming a strong government?

[Litynski] Yes, I would agree. It is in particular not conducive to forming a government capable of pursuing a long-term policy. Prime Minister Olszewski's government is precisely in this kind of situation now. For I do not believe that it will be able to draw up a solid, long-term program while relying on such a weak and unstable coalition. Unless a new coalition is formed, which can undertake to prepare such a program, all we can expect is chaos.

[GLOS PORANNY] It is said that the forthcoming parliamentary debate concerning the Sejm's approval of the budget proposal for the remaining three quarters of the year will be a vital test for the government.

[Litynski] Yes, this is true. In my view there is a considerable danger that this particular budget will be rejected. If this happens, things can take a really wrong turn. The documents which I have seen so far are not at all encouraging, though they clearly contain an attempt at a new economic strategy. The new program they present involves a degree of risk....

[GLOS PORANNY] In your opinion, what could guarantee the effectiveness of that program?

[Litynski] It can only work if it succeeds in galvanizing the people. Unless a major proportion of the population accepts it as its own and begins to implement it, not even the best administration in the world can do much with it. In any case, our administration is weak and quite incapable of galvanizing the population.

[GLOS PORANNY] What political preconditions would you isolate here?

[Litynski] First, it is essential to create a rational political base for the government. Second, it is necessary to overcome the specific type of inertia that is at present affecting both those in power and the population. I am thinking here of creating new programs, both central and local, and of setting in motion a series of institutions which would stimulate both the economy and the people.

[GLOS PORANNY] Do you not believe that a great deal of time has been lost already?

[Litynski] We lost a lot of time for several reasons, especially because of the so-called "war at the top" and the continuing political skirmishes and the wrangles with the trade unions. However, we have been able to achieve a lot, too. Unfortunately, over the past year or even longer people were fed unrealistic illusions: We were told that we could travel the road ahead of us easily and pleasantly, without any sacrifices or losses. Reality proved very different, and the results of this necessarily hit the political elites in the country, including even local

elites, with the inevitable consequence of provoking mutual accusations and recriminations, which only served to weaken both sides. Consequently, it is extremely important today that political and program-based cooperation be initiated between all these elites at every step of the political hierarchy. Indeed, such cooperation is by now a matter of utmost importance.

Liberal Democratic Chairman Tusk Grants Interviews

Assesses Political, Economic Moves

PM0203153592 Wroclaw SLOWO POLSKIE in Polish 20 Feb 92 pp 1, 2

[Interview with Liberal Democratic Congress Chairman Donald Tusk by Waldemar Chudziak; place and date not given]

[Excerpt] [Chudziak] Is it true that Liberal Democratic Congress activists are being removed from state administration posts?

[Tusk] Anyone wanting to remove liberals from the administration would have to arm himself with a magnifying glass or a microscope, for—contrary to appearances—there are not too many of them there any longer. Some left as a matter of course at the time of Jan Krzysztof Bielecki's resignation, and those few who stayed on now feel under threat. It is more than certain that the present authorities know only too well what they are after regarding the coalition's interests or the interests of particular parties, and it is indeed to be expected that people who are in opposition to the government will not remain in their posts—however nonpolitical these may be—for much longer.

[Chudziak] What is the Liberal Democratic Congress' position regarding Christian National Union [ZChN]?

[Tusk] The ZChN is not a close partner for the liberals.

[Chudziak] Are you not in favor of invoking the slogan of "God, honor, and fatherland?"

[Tusk] Honor is a matter of individual behavior, and no political party, regardless of its persuasion, is capable of forcing its members to behave honorably. If there is a God in heaven, he is certain to disregard party labels, too. I would imagine that he will judge every person on the strength of his or her unique individual record, since sins are committed individually rather than collectively. Finally, we all have one and the same homeland, and only the future will show who has served it more sensibly and effectively. The ZChN is a party which, in a sense, applies collective national categories in its philosophy, and this has little to do with the individual nature of each separate person, which is the basis of the liberals' position.

[Chudziak] Do you agree with the thesis that Jan Olszewski's government pursues a policy of cutting Poland off from the West?

[Tusk] This is a question of relative judgments. If we were to compare the present government with the past, communist governments, we would have to conclude that it is very open to the West. Moreover, we are in favor of Poland's accession to NATO, a concept actively promoted by Minister Parys.

[Chudziak] Are you not in disagreement with the government over some of its moves and statements concerning the economy?

[Tusk] Indeed, we feel that certain rash statements made by the government could give an unfavorable impression of its position. I am thinking here of such issues as renegotiation of international agreements, or relations between the government and international financial institutions, which could give the impression that the present government team is far more distrustful of the West's intentions than its predecessors had been. In this connection, it would also be useful to have a clear picture of Olszewski's partners within the government. Without a doubt you can at present discern a tendency to xenophobia in the ZChN's policy line. This is a consequence of traditional national complexes developed by Poles in the course of our history. Liberals are far from entertaining any notions of Poland's special role in Europe. The ZChN's dreams of restoring Poland's status as a European power are highly exaggerated. Another group with a strong influence on the government are the peasant parties. They have a strong interest in maintaining national autarky, which from our viewpoint borders on the irresponsible.

[Chudziak] Is it true that [former] Prime Minister Bielecki had authorized the decision to print more money?

[Tusk] Most certainly not.

[Chudziak] Could you share with us your comments on Jan Olszewski's recent proposal of new economic solutions?

[Tusk] The proposal was formulated in highly general terms, and it would be a political malpractice to launch into biased appraisals of its content. It will be several months before a fair assessment of its value can be made. Today I can only say that I regard it with considerable apprehension, for the mention of increased money supply suggests that we will slide back into hyperinflation. If the authorities announce that they will print more money and channel it into state-owned enterprises, and at the same time envisage a substantial curtailment of inflation, then either the authorities do not understand certain basic economic principles, or else I have failed to grasp them myself. I am glad of the promise of accelerated privatization, but I can see that the program has been put together under tremendous pressure of public expectations.

[Chudziak] What position will the Liberal Democratic Congress's Sejm caucus assume during the voting on the budget bill?

[Tusk] It would be preferable not to transform the voting into an interparty parliamentary power contest. If the liberals decide that realization of economic guidelines would entail a threat to economic stabilization, then their opinion will influence the outcome of the vote. If the budget bill is not approved, it will in practice be tantamount to a recalling of the government. It will be advisable to think twice and even three times before you raise your hand to vote, for it would not be difficult to abolish the current cabinet, but it would be extremely hard to create an alternative configuration which would answer the requirements of sensible selection and economic responsibility. [passage omitted]

Comments on Olszewski Government

PM0403105292 Wroclaw GAZETA ROBOTNICZA in Polish 21 Feb 92 pp 1, 15

[Interview with Donald Tusk, Liberal Democratic Congress chairman, by Elzbieta Szczucka; place and date not given]

[Text] [Szczucka] The stance taken by your party, the Liberal Democratic Congress, during the formation of the government coalition, its participation in the "Group of Five," and its subsequent departure from that configuration have been compared to the attitude of a bashful virgin who is at the same time both tempted and afraid to part with her innocence....

[Tusk] Who says so? In any case, virginity is no sin, nor is it a reason for shame. After the parliamentary election, 18 parties found their way into the Sejm, including nine with comparably high numbers of seats. From a substantive viewpoint, divisions between these are perhaps of secondary importance, but if you look at them in the light of genetic and social differences, they are separated from one another very firmly indeed. In this situation it was certainly essential to form a coalition that could provide a stable platform for the government. This is why we assumed that, given a certain set of economic principles, it would be acceptable for us to join any coalition despite existing aesthetic and ideological animosities. Some four to five weeks then went by and we realized that it was necessary to wait that time for our doubts and uncertainties concerning economic questions to come fully to the fore. I believe that the events of the past few days—particularly the submittal of the government's socioeconomic guidelines—have confirmed the validity of our earlier reservations.

[Szczucka] What you have just said could be summed up as a conclusion that in the end it was your program that proved to be right....

[Tusk] No, absolutely not. I understand only too well those people who believe that our program, as realized by the Bielecki government, left a lot to be desired. It will take a few years to ascertain whether or not it was an effective program.

[Szczucka] But the Polish people are losing their patience and do not want to wait for the judgment of history....

[Tusk] Unfortunately, they have no choice. It is necessary that politicians admit publicly that there are no programs which can improve the economic situation of the whole country—and, by the same token, of the entire population—in a short time. In any case, this was never promised by either the Mazowiecki or the Bielecki government. This, because the problem can be reduced to the fundamental canons of the state's financial policy. Our sense of unease, which was born and developed even as the government coalition was being formed, now proves fully justified. Together with the entire Liberal Democratic Congress, I do not believe in the government's economic program. What is more, we can already sense and foresee the dangers it entails. I very much hope for Minister Eysymontt's sake—and also the premier's—that the tenets of their economic program do not result in practice in a return to hyperinflation and economic destabilization. I have already voiced my own opinion on this matter, and also that of the Liberal Democratic Congress. And there is another question. When we joined the coalition, we were fully aware that that move did not make us more popular with the general public or our constituents; then, when we decided to leave the "group of five", we realized that we were risking our reputation yet again. However, if you represent a certain level of responsibility—as we liberals do—you must be prepared to sacrifice your own image in order to be at peace with yourself and your own convictions.

[Szczucka] Since you mention the question of responsibility, let me remind you that the liberals are generally blamed for the unsuccessful actions of the Bielecki government, the empty state coffers, and so on....

[Tusk] Neither Bielecki, nor the former government, nor yet the liberals try to evade responsibility for their actions. I feel satisfaction at the thought that I share the responsibility for what has been happening over the past year. In my opinion the year was far from wasted—on the contrary, it was quite important. And I am convinced that in the long term the moves and actions of both Mazowiecki and Bielecki will be judged as very difficult but decidedly positive.

[Szczucka] In your opinion, how long will the Olszewski government last?

[Tusk] This question would be best answered by Jan Rulewski and his personal Gypsy fortune teller or crystal-gazer. I should not like to risk making this kind of prediction. However, we can tell when to expect potential crisis points. The coming parliamentary debate on the economic program and the vote on the budget bill could well decide the government's future. Hence the frantic attempts of some coalition members to win the affections of the Democratic Union and—albeit to a

lesser extent—the Liberal Democratic Congress. The lower degree of interest in the Liberals is the result of the fewer votes we have at our disposal in the Sejm. Today it is hard to foresee what direction the debate on the economic matters will take. In any case, it is certain that a few posts offered to representatives of the Democratic Union or the Liberal Democratic Congress will not save the present government.

[Szczucka] When you look at these maneuvers from the position of a lowly rank-and-file observer, all you see is a group of people in high positions engaged in an undignified scramble for ministerial posts—and nothing more....

[Tusk] All in all, that is the essence of politics. The business of high-level politics is certainly far removed from the situation of people at so-called ground level. And this dilemma cannot be solved. Everywhere in the world alignments of forces between political parties are regulated in this way. It cannot be any different in Poland. The reaction of distaste is caused by politicians' inability to achieve their objectives, not by the principle itself, because the principle follows from natural laws of politics. We were not preoccupied with securing government posts for our own people because, as we entered the coalition, we could have taken practically all the key positions in the economy sector, including the vice premier's and finance minister's portfolios. We did not take up this opportunity because we did not want to lend our name to give credibility to certain projects which we considered unsafe.

[Szczucka] It has been noted recently that the Democratic Union and the Liberal Congress have been showing a lot of interest in each other. What is more, gossip has it that you have already set up a coalition which will soon....

[Tusk] I have never said it in so many words. However, it so happened that in recent votes in the Sejm we shared similar views on many matters concerning the economy. Consequently, an economic alliance between our two parties has become reality, even though there is no signed alliance agreement.

[Szczucka] So what stops you from blocking Olszewski's government from all further action?

[Tusk] I often come across this question, asked by the impatient. Technically, overthrowing this government would not present a problem. However, there is still the question of responsibility for the consequences of such a development. It is too early to insist that the formula adopted by the Olszewski government has already outlived its usefulness. In addition, I must admit that at the moment the Liberals are not too keen on taking over the executive apparatus. This is partly the result of our remembering that several dozen parliamentary bills which we drew up with the aim of restoring the economy to health and proper functioning are still lying untouched awaiting the Sejm's attention. However, if we were to consider alternatives to the Olszewski government, they would be certain to be found in the Democratic Union, the Liberal Democratic Congress, and the so-called "Large Beer" [Polish Economic Program Party]. The only problem is that the Polish public's critical attitude to the present government is not synonymous with a longing for a return of the Liberals, or the Democratic Union politicians, to power.

[Szczucka] Maybe it would be better if, instead of thinking about an alternative government team, we were to concentrate on a reconstruction of the present government?

[Tusk] I know for certain that members of the present team, and especially the Christian National Union [ZChN], are not interested in opening up the coalition. A large majority of ZChN activists perceive both the Liberal Democratic Congress and the Democratic Union as their chief enemies. This is also the outlook which predominates in the Olszewski government. Only a certain proportion of Center Alliance politicians, who listen to Kaczynski's instructions, have been making steps toward a reconstruction of the government. However, as long as the premier fails to come up with a specific proposal in this matter, the possibility that the Democratic Union and the Liberal Democratic Congress will move to a stance of so-called hard opposition is growing increasingly likely. There are very many reasons why we should do so.

[Szczucka] Thank you for talking to us.

Iliescu Details Role in Transition to Democracy

AU0403083992 Bucharest DIMINEATA Supplement in Romanian 29 Feb 92, p 2

[Interview with President Ion Iliescu by Rochebin Darius Noel of the Swiss newspaper JOURNAL DE GENEVE; place and date not given]

[Text] [Noel] Mr. President, first I would like to express my thanks for granting me this interview for JOURNAL DE GENEVE. I am very glad to see you again after two years.

Mr. President, JOURNAL DE GENEVE has asked me for a portrait, not an interview, for your biography, a description of your personality. In connection with what interests me especially, I will ask you two kinds of questions: on the one hand, about what you represented formerly, namely the small part of the nomenklatura that in Eastern countries—judging by Mr. Gorbachev—undoubtedly played an important role in the changes that took place, and the role you have played now in the transition toward democracy and the market economy.

First, a few short questions about the present and especially about the immediate present. You have been—we know that you no longer are—the representative of a party; you were the candidate of the National Salvation Front [FSN], which suffered a significant setback in the recent elections.

How do you explain this setback?

[Iliescu] There are two reasons that explain this phenomenon. First, I will speak about the objective factor. It is logical for a party that has assumed the responsibility of governing during a profound crisis in our society—especially an economic and social crisis with steep costs for the people—and of promoting political, social, and economic reform, to see its position weakened. A party that has a weakened economy at hand at a time of social crisis takes that risk, namely of losing its position among the ranks of the electorate. We talked about this even in the first days of the revolution; during the election campaign we talked openly to the people telling them that we are facing a difficult time; in those days I said I was not making electoral propaganda, but electoral antipropaganda.

We did not make any promises because we knew that we were entering a very difficult time; however, we had to join the game, because there was no other chance. All this period was and continues to be very difficult. Thus the FSN, which was responsible for governing during that period, inevitably had to face this difficult situation.

The second reason is the Front's situation. This kamikaze policy practiced by Mr. Petre Roman for a few months ever since he lost the position of prime minister, a situation he took in an unhealthy way, namely as a personal tragedy—the reason for a very dangerous internal policy—weakened the Front from within. Under such conditions what was needed was internal cohesion, the mobilization of the Front's own militant forces, and constant dialogue with all those who supported the Front. A truly open political activity directed at the electorate was not carried out and instead other things were dealt with and internal disturbances were fanned, thus creating a difficult situation for the Front itself.

[Noel] Mr. President, two years ago you said we would not carry out such a brutal reform as the Poles, for instance. For various reasons, Romania—on the contrary—has introduced a liberal and very advanced reform. As a matter of fact, you are rather praised for this.

However, from a certain point of view you have betrayed the promises made to a certain electorate that fears privatization and rapid changes. Do today's results change your attitude or, differently put, in your view, is the line begun by the Roman government that is now pursued by the Stolojan government, the only feasible one?

[Iliescu] This involves two aspects. The reform is something that is required. The transition from a centralized economy to a market economy is inevitable. From this point of view, the process is inevitable at all levels, both when it comes to the political reform and the economic reform in our society. As far as the content of the reform is concerned, it is inevitably and compulsorily the same one. As far as the means of promoting the reform and its pace is concerned, it is not subjective desires that count, but objective conditions that require that the government—of an independent orientation—take certain compulsory measures. This is why I have often emphasized that the pace of the reform and priorities have to be determined on the basis of an objective examination of the process itself and real possibilities have to be studied. Then there are a number of conditions that cannot be ignored: the slow structure of the economy, which has generated and continues to generate difficulties that are not easy to overcome. The dissolution of the CEMA system has deprived us of essential sources of raw materials and energy. The transition process itself is complicated, complex, and difficult and all Eastern countries demonstrate this.

These are processes that will take time. I believe that throughout these two years serious steps have been taken in the economic reform and maybe in a more radical way than in other countries and in a shorter period of time. However, this process is difficult and the general situation of the world economy is also an unfavorable factor. Apart from this, certain reservations on the part of international institutions, financial institutions have appeared....

[Noel] Mr. President, permit me to interrupt you so as to channel our discussion in this respect strictly toward the policy in Romania. Yesterday I was in the Titan area, I talked to people and I was able to note that—as in numerous other cases—you are still popular among

workers; you are far more popular than, for instance, Mr. Roman, but that you are in the situation of not having a party apparatus that would—at least for the time being—be to your benefit in an election campaign.

[Iliescu] It is a peculiarity of the provisions of Romania's Constitution in connection with the president to separate him from political formations and, at the same time, to place him in a position of balance, equidistance, and dialogue with all political forces in the country.

[Noel] The only parties which a priori could attempt to support you if you were making, so to speak, a few concessions, are such parties as Mr. Verdet's party and the left extremist parties. Can you image an alliance with them or do you rule out such a thing?

[Iliescu] I do not believe that these formations have a very solid position from a political point of view; the local elections proved that they did not count a great deal. However, I have the feeling that the major part of members and supporters of the Front would favor my candidacy. I do not know what the position of the Front's leadership is, but in the past months I noted a clear-cut difference between the orientation of the Front's Steering Council and the Front itself.

[Noel] Are you going to run for the presidency if Mr. Roman runs as well?

[Iliescu] I do not know. I have not decided yet. However, as far as my candidacy is concerned, I do not link it in any way to that of Mr. Roman.

[Noel] Mr. President, you yourself have talked about fears that a rapid transition may cause and about the tremendous social costs of the transition process. In an interview Mr. Stolojan granted me a few weeks ago, he sincerely recognized—something few leaders in the east would do—that part of the current generation will be a sacrificed generation, as for instance the workers in large combines and so forth, who will have to suffer because of the transition process. This feeling of these people is also amplified by the fact that part of the former nomenklatura and Securitate are being recycled in these new structures and often they seem to suffer less from the transition than the rank and file.

[Iliescu] There is general confusion about this notion of nomenklatura. There are people who mistake the nomenklatura, that is, the privileged functionaries of the party and state, for the qualified people who had responsibilities within the administrative or economic apparatus. This is not the same thing. I do not confuse such things. There are numerous capable people with a professional and managerial qualification, who have to be used in this process.

[Noel] My question focused, for instance, on those former people of the Securitate apparatus who are now being recycled in private enterprises, import-export enterprises, and so forth, as in fact is the case in Hungary and Poland.

[Iliescu] They are professionals who have left their former positions in the Securitate apparatus or in other apparatuses; now they are pursuing professional activities for which they are also qualified.

[Noel] In your view, is this morally shocking or the normal way of things, which has to be accepted as such?

[Iliescu] In a democracy there has to be a normal attitude toward all the citizens in the country. Each person has to integrate, retrain, and reorient himself, if needed, or to resume his real profession. What else could we do: liquidate them, shoot them? What other alternative is there?

[Noel] You know that in this connection Hungarian Prime Minister Antall said that big capitalist families in the West often have a similarly dubious origin.

[Iliescu] The Hungarians are wiser in this respect. They did not interfere with the Securitate, they preserved all the structures of this body, retained all the people, all professionals, and just appointed a new leadership and no one talks about the threat posed by the Securitate in Hungary—neither at home, nor abroad. In Romania, we have actually dismantled this institution—as an institution of repression; we have eliminated all the repressive structures of this body and have preserved only a nucleus of specialists, of professionals, and we have organized a completely new institution, similar to all such institutions in democratic countries throughout the world.

[Noel] Mr. President, your remark makes me ask the next question. We know that while the Securitate has lost its former role, there are still elements within its ranks that today make a spectacular reappearance in Romania, namely in such newspapers as ROMANIA MARE and EUROPA, which, as you know, play a dangerous role in the country. We know that you are far from being suspected of nationalism and in the portrait I have prepared about you I talked with numerous people in Timisoara, where you held the position of departmental secretary. They told us that you were—contrary to party activists who were often nationalists—very tolerant and open toward the various communities. However, today they are surprised that newspapers like ROMANIA MARE and EUROPA are able—as in no other country in the East—to make anti-Hungarian propaganda, despite all the dangers this may entail in Transylvania. Likewise, they make amazingly violent anti-Semitic and antiliberal propaganda, while it seems that the state apparatus is not doing anything to counteract it. Then, what can be done against this threat?

[Iliescu] We should not limit everything to these two reviews alone. I think that there are also other signs of nationalism on both sides; they spur each other.

Under conditions of social crisis, economic difficulties, and social and political unrest, any kind of extremism can emerge anywhere. I view this phenomenon, this nationalist extremism, as an illness that is characteristic of periods of social crisis. This can be found in our

history and in the history of others: Even in Germany we are witnessing the emergence of clear-cut, extremist, fascist trends. In France, xenophobia and Mr. Le Pen's movement have even led to violence followed by political reactions to it. And France is a country without such serious social or economic problems as Romania.

I think that from this point of view the influence of nationalist extremism is not so serious, because Romanian society is a tolerant society in general.

I think that these trends do not pose such a great danger unless—of course—other circumstances aggravate these manifestations. I do not view them as being more dangerous than other such manifestations, or extreme rightist and fascist-type organizations that act in a different way and by using different means. Similarly, Hungarian nationalism fans these reactions from the Romanians.

[Noel] Mr. President, we know Hungarian extremists such as Mr. Geza Szocz and other clergymen....

[Iliescu] As Mr.Tokes who is carrying out antinational and antistate activity....

[Noel] ...or undemocratic actions by such parties as the National Peasant Party. These are facts, but ROMANIA MARE, EUROPA, and other newspapers represent a tremendous means for maneuvering and you were speaking of France or of Germany, while in those countries there are laws which allow the banning of such papers.

[Iliescu] Are Mr. Le Pen's newspapers banned?

[Noel] No, but editions of Mr. Le Pen's newspapers, including speeches as violent as those in ROMANIA MARE, have been banned.

[Iliescu] I have not seen these interdictions in Mr. Le Pen's press.

[Noel] No, but "Les Negateurs de l'Histoire" (...), for instance, have been banned. Do you agree that as far as ROMANIA MARE and EUROPA are concerned, they should be banned legally, like in Germany, thanks to the antiracist laws?

[Iliescu] Maybe several papers that represent the same threat and that deal only with political and social scandal in our country should be banned. However, there is a certain position in connection with a law that could form the foundation for direct action against such publications.

[Noel] Would you personally favor the banning of such reviews?

[Iliescu] Under conditions of confronting positions, even on ethnic problems, I personally favor a more balanced and tolerant climate, provided that this is on the basis of mutual opening and tolerance.

[Noel] Mr. President, in stopping these waves of dissatisfaction and in preventing their being exploited by the extremist parties you mentioned, the problem is what means to use. The West is often mistrustful toward such leaders as Mr. Yeltsin and Mr. Walesa who, nevertheless, are capable people and enjoy the necessary public support to interest the masses in the democratization process. Sometimes the West makes the mistake of trusting intellectual leaders to a greater extent; however, they do not have the same public support. Do you believe that today it is important in the East that political leaders have close contact with the people and that they know how to attract them, interest them in the democratic process, and make them accept the sacrifices of this transition process?

[Iliescu] The situation is very complex in general. Leaders play an important role today, but processes are more complicated and more complex and leaders may lose their rapidly gained positions. Mr. Gorbachev enjoyed great popularity, but a few years later he lost it; Mr. Yeltsin enjoys some popularity, but things may change from one day to the next. Profound social, economic, and political changes are taking place; they may even determine the emergence of leaders, as well as their popularity or lack of popularity. There will always be a combination of factors that determine a certain direction of events and it depends on the aptitude of leaders as to whether they understand this trend and whether or not they take constructive action.

[Noel] Very good. Mr. President, a while ago you talked about international bodies that are very prudent and slow in granting loans and recently Mr. Walesa voiced his disappointment with the West in granting a great deal of humanitarian aid but too little real and substantial aid. Do you share this disappointment? And another question: Are you not afraid that—as can be seen in Moscow—an anti-Western reaction may emerge among the people; a somewhat xenophobic reaction of disappointment toward the petty gentlemen in the West who come to lecture, but do not offer a great deal?

[Iliescu] Since you mention Mr. Walesa, we could be even more disappointed, because in the past two years Poland has received quite large credits; it doubled its foreign debts from $24 billion to almost $50 billion; this means that they had access to foreign credits; hence the doubling of their debt. For more than a year now Romania has been discussing a credit of only $1 billion with the Group of 24; however, only the European Community countries have decided to support half of this credit. The United States has not decided yet; Japan has decided on 100 million but has not given it concrete shape yet. Without credits, it is very difficult to solve the profound problems of the reform as, for instance, price and wage liberalization, the measure for the domestic convertibility of the national currency. Without hard currency reserves, the profound measures of the reform cannot be supported. Similarly, our national production has decreased by up to 65 percent compared with 1989, the crisis year that led to the popular explosion because

of the very difficult conditions in which our people used to live. Exports have also decreased; it now represents half of the imports. In 1989 the ratio was vice versa; exports were twice as high; now hard currency sources in economic activity have decreased; no credits are received; so, how can one solve such serious problems?!

We could be disappointed by this unrealistic attitude from the international bodies; at the same time, however, we understand that the economic and financial situation of the world economy is difficult. Our misfortune is the fact that we are going through a radical process during a period of decline in the world economy. One can always note a certain reservation on the part of those who grant credits and who, naturally, want guarantees that these loans will be paid back. This proves that not to have foreign debts is not always to your advantage; as in our case it is more of a disadvantage, because banks are not interested in new debtors. On the contrary, Hungary and Poland, which have large foreign debts, have constantly received credits. Psychology probably also plays a role in this respect. As far as the general political aspect is concerned, problems are more serious and are linked to the new demands by the new states that have emerged from the ruins of the Soviet Union; thus it is more and more difficult for the international financial community to cope with these requirements.

Stolojan Interviewed on Financial Recovery

Part One

AU0303104292 Bucharest ROMANIA LIBERA in Romanian 22-23 Feb 92 pp 1, 3

[Part one of interview with Prime Minister Theodor Stolojan by Gilda Lazar and Dan Vardie; place and date not given: "One Cannot Administer Imbalances"]

[Text] [ROMANIA LIBERA] Mr. Prime Minister, let us come directly to the point. The recovery of the Romanian economy cannot be achieved without substantial economic support from abroad. You have said so, other people have said so, too. The International Monetary Fund is the institution we attach great hopes to. Is it true that they preconditioned the second part of their credit (Group of 24) to our cutting down on steel production?

[Stolojan] That was not necessary. Our steel production is already down to half of the 1989 figures. Compared to that output of 14 million tonnes, we currently produce 7 million tonnes. There is no CEMA any more. Besides, we have stopped exports to countries that did not pay for it, like Mozambique. You see, there are economic reasons for our cutting down on production. Our problems with the IMF were of a different nature. I rather underestimated the issue of overall coverage of the debts of enterprises through bank loans, which—aside from having some positive results—also has a dangerous effect, namely inflation. Those who earn less than they spend (and who have received credits) are pushing prices up in order to recover themselves. Under such circumstances the steps to be taken have to highlight two basic truths. The first is: Anyone who orders merchandise, knowing that he is unable to pay for it, is a thief. The second is: I work hard, breaking my back producing, but what can I do if the other guy does not pay me for it? Well, it is the other way round! I should actually blame myself for delivering my merchandise to people who are unable to pay. If we do not introduce these two basic truths, we are all going to suffocate.

[ROMANIA LIBERA] Who is supposed to introduce these truths? What are the legal regulations in this respect?

[Stolojan] The companies themselves should do that, within the framework of relations they have with each other. Look, the RENEL [Bucharest's electric power company] cuts off the power of anyone who does not pay. But people are screaming and croaking. Then, there is the problem with the banks, which ought to be much more incisive. Although we tried to take some steps in this respect through various draft bills on public finances, the Parliament rejected them on the pretext that they were not suitable. Certain companies involved in business transactions, but which have not paid their debts to the state, have also turned us down.

[ROMANIA LIBERA] You mean that opposition came from the Parliament?

[Stolojan] We are living in a country where some people think it is no tragedy if one does not pay one's debts. No one is put into jail in this country for not having paid his debts to the state, like they do in Italy, for instance.

[ROMANIA LIBERA] But what prevents us from doing as the Italians do?

[Stolojan] In our country everyone puts the blame on others, saying this person or that did not pay. But no further action is taken, that is the truth. There are companies without any kind of future whatsoever against which bankruptcy proceedings are long overdue. The draft bill on bankruptcy has been submitted to Parliament heaven knows when, but no one knows when its turn may come.

[ROMANIA LIBERA] How long is it since the bill was submitted?

[Stolojan] I do not know precisely, but it was a long time ago. The trading regulations dating back to the prewar period have not been abolished.

[ROMANIA LIBERA] But they are not being applied, either. Why?

[Stolojan] How should I know why? It is exactly like a shipwreck. Have you ever seen a shipwreck?

[ROMANIA LIBERA] No.

[Stolojan] Well, I have. As a student I watched a steamer break into two pieces on the Tei Lake. Many people died there, because they clung to each other. They all died together, bad ones and good ones!

[ROMANIA LIBERA] Let us return to the issue of overall coverage of debts through bank loans; do you not think that you followed bad advice, choosing a way that will not have good results?

[Stolojan] Let us not blame these counselors. The fact is, we reached the blockage level of 170 billion [lei], while the inland gross product in 1991 amounted to 4,550 billion lei. At the end of 1989 we found ourselves in a situation of financial blockage, so all debts were paid for, but people have forgotten about it. Within two years we have reached the limit again. The prospects are that this cycle might repeat itself more and more often. The size of the blockage has made it impossible for us to apply selective solutions.

[ROMANIA LIBERA] What would be a selective solution?

[Stolojan] Finding out—among thousands of companies interlocked in the blockage chain—who caused this malfunction initially. That is, who was working at a loss. But it is impossible to find that out today. In 1990 our financial and banking authorities did not even think of crossing the threshold of any enterprise, because they would have been met with clubs and chains.

[ROMANIA LIBERA] But we had a government and laws at that time, too. Why did they not take any action?

[Stolojan] Well, it is a fact that they did not. The question is, how could they? One should not forget that the whole social system, even the banking system was altered, which led to a slowdown of financial transactions in the economy. It took a lot of time to reorganize one's operations, move quarters....

[ROMANIA LIBERA] Was this process not dragged on deliberately?

[Stolojan] I do not think so. The payment of state subsidies was also late, because there was not enough money around. The selective method takes a long time, and cannot be applied to the huge blockages we had in our economy. I confess, we should have sounded the alarm earlier, so that the government could do something about this problem.

[ROMANIA LIBERA] So why was the alarm not sounded?

[Stolojan] Things are very complex, and the socioeconomic system we are trying to undo is very sturdy. It is not an easy task to employ 5,000 people without having the money to pay their salaries.

Part Two

AU0303160192 Bucharest ROMANIA LIBERA in Romanian 25 Feb 92 pp 1, 2

[Part two of interview with Prime Minister Theodor Stolojan by Dan Vardie; place and date not given: "One Cannot Administer Imbalances"]

[Text] [Vardie] Concerning the financial problems, bankers put the blame on realities in the economy, while economic experts think that the banking system should be made responsible for it. What is your opinion?

[Stolojan] We made a big mistake by letting the National Bank initiate measures to cover payments. It is now obvious that the government must intervene, and we will take steps in this respect. Currently the RENEL—as I have already mentioned—and the methane gas suppliers and the transportation system only offer their services to clients who pay for what they consume.

[Vardie] Why was letting the National Bank do the financial deblockage a mistake?

[Stolojan] Such a vital problem for the health of economy has to be tackled with all one's might. Neither government nor can the banks can tackle the problems alone. For instance, we are going to force companies to publicly declare their debts, thus warning the public about their situation. In other words, we are going to enforce a kind of payment discipline, which should have been done long ago, but that day has not come yet.

[Vardie] In my opinion, the failure of the policy of overall coverage of debts will bring about a delay in making our currency convertible, perhaps even casting doubts on its future. Is there anything that could still rescue it?

[Stolojan] The future of convertibility depends on foreign financing. If there are no delays in the planned schedule of foreign loans, we will have enough assets to sustain the leu against the dollar, and the National Bank will be able to ease up formalities required for gaining access to hard currency. Unfortunately, there are delays in [the foreign] financing, and they are partly an effect of the overall coverage policy I mentioned before, since it showed foreign creditors that something is wrong in Romania's concept of a market economy.

[Vardie] What would happen without foreign financing?

[Stolojan] Without foreign financing, there would be two possibilities: Either we are the currency exchange rate totally free, or we freeze it and take over the whole administration of our hard currency, because—one way or another—imports have to be brought down to the level of exports. Under such circumstances we will openly tell the international financial community that this country cannot proceed along its transition course unless it is helped—not more than other countries around us—but at least as much as we jointly agree upon. I assure you, it is not easy to administer imbalances.

[Vardie] What do you mean by "currency administration?"

[Stolojan] By that I mean that the state decides the order of priorities and who is to be given hard currency, by applying its own criteria. We should avoid such a situation at all costs, since it would lead to a tense situation between the state and the economic units.

[Vardie] We started the process of convertibility with assets worth 300-400 million dollars, while the Hungarians, for instance, did not dare undertake it even with 3 billion. We risked quite a lot. Why?

[Stolojan] At that time, companies were collapsing one after another because of energy shortages. If we had not succeeded in mobilizing our foreign currency resources, we would not have been able to import energy raw materials. On top of this, all economic units were buying energy at the rate of 60 lei for a dollar, while they were paid 120-150 lei for every dollar earned from exports; during the same time, the state had to guarantee energy imports. So what could I do? I could either confiscate all foreign currency from bank accounts, or unify the exchange rates by introducing a limited convertibility, which left the door open for reforms.

[Vardie] In my opinion this is tantamount to confiscating foreign currency, is it not?

[Stolojan] No, it is not, because we gave lei in exchange for the hard currency, like other states did in similar situations. The problem is that for us it is more difficult to achieve convertibility, because of the shortage in hard currency. However, I can tell you that the second installment (Group of 24) of the IMF loan was approved of, and we will be transferred to us any day now.

[Vardie] Polls made by Gallup and Eurobarometer and published at the end of January 1992, show that Romania is the only East European country where the people are against the market economy (35 percent are for it, 48 percent oppose it). How do you account for such poll results?

[Stolojan] I cannot believe it. I do not know how that poll was made, so I should not really question its results. Nevertheless, I would say that such a conclusion portends ill for Romania. Another explanation could be that the people interviewed misunderstood this question.

[Vardie] Could the 1990 FSN slogan—"We are not going to put our country on sale"—have something to do with this misunderstanding?

[Stolojan] No. Things are simpler than that. People are disappointed, because everyone thought that things would improve in one or two months, or perhaps a year. Well, I wish the next government much success, but I have to tell you frankly that we will be faced with hardships for years to come; these hardships will not be insoluble and our living standards might not even worsen, either. But if it is true that the people are against the market economy, then the situation is really serious. We cannot build a society that the people reject, but I refuse to believe that these results are true.

[Vardie] You often spoke of yourself as the heir to Petre Roman's reforms. Now, a few months after your continuation of the reform process, are you satisfied with any area of economic activity?

[Stolojan] Yes, I am. Without the steps taken on November 15, we would have had an Arctic winter in 1991-1992, because we were on the verge of an energy collapse. We also managed to rescue another one million hectares' worth of sowing, after an argument that took us almost a month, and during which the cabinet was within a hair is breadth of resigning. Persuading the banks, we managed to secure credit funds worth 80 billion lei, with 15 percent interest. Those who do not observe our decisions on agricultural operations will be considered saboteurs. There are certain ministers who do not realize what the consequences of not tilling the land are, thus endangering their own position in cabinet. I warned them, and if they do not agree with these decisions, I will implement them myself, in my capacity as prime minister, and I will renounce their services.

[Vardie] Does the Land Law—both in its substance, and in the way it is implemented—contribute to the current chaos in agriculture?

[Stolojan] To make things clearer, I will tell you that the Land Law is a political solution. Giving land back to its owners is a toilsome task, for it implies taking measurements and checking the land register. Aside from that, the services that are offered to agriculture are not suitable, considering the size of the plots and the large number of landowners. The banks encounter extraordinary difficulties in talking to millions of people, each one of them owning a small plot. As for myself, the only important thing is to ensure good harvests in the country. In my opinion, an infrastructure capable of entering into a dialogue with this multitude of landowners should soon emerge.

[Vardie] Would you comment on the economic strategy—if there is any—in trade and tourism?

[Stolojan] In tourism things did not happen the way everyone expected them to. In my opinion, the blame should be put on the resistance and opposition to foreign capital. Imagine yourself as a director of a tourist company, which owns hotels, villas, and restaurants. Well, I am going to lease an object from you, but not for five years—which would give you a kind of a long-term prospects—but on a yearly basis, so that I can control you better. You keep earning money from these lease rentals, and you do not know what to do with it. Why should you make investments? At most, you buy another two or three cars. So foreigners who wish to join in are looked upon as enemies, as is only natural. Besides, one can easily argue that their offers are not to the advantage of the country, our people, and so on. Aside from this, tourism relies heavily on the existence of highways and freeways, of which we have none. Then, there is our

inability to turn our knowledge to good account. I am confident, however. Time will help us, but unfortunately it will not be soon enough.

[Vardie] Industrial production in 1991 amounted to 78 percent of the one registered in 1990, and to only 59.6 percent of the 1989 figures. Forecasts for 1992 are optimistically set at zero growth. In spite of all this, the minister for industry thinks that more than the half of the 1,600 companies will achieve 1989 levels, provided there are no great social upheavals. How would you account for such forecasts?

[Stolojan] I will be very pleased to see that Industry Minister Dan Constantinescu is right, and I would be delighted to learn about the concrete elements underlying this optimism. In my opinion, even halting the recession we are experiencing in production will prove to be a tough job. One cannot be certain when one is operating with a lot of unknown factors. In Russia, for instance, crude oil and natural gas production are falling every month. This will certainly have an impact on our energy system and on our industrial and agricultural production. You see, we are living in a European and world economic context on which we depend, whether we like it or not.

New Bucharest Mayor Halaicu Views Tasks

AU0303141592 Bucharest ADEVARUL in Romanian 26 Feb 92 pp 1,3

[First part of interview with Crin Halaicu, newly elected general mayor of Bucharest, by Sergiu Andon; place and date not given: "Perceptive to the Victory of the Opposition—Paris Remembers Its Younger Sister"]

[Text] [Andon] I suppose that many people have congratulated you. What surprised you the most about your victory?

[Halaicu] I did not expect the congratulations that Mr. Petre Roman sent on television to all winners. Maybe the congratulations sent to me on behalf of Mr. Jacques Chirac took me by surprise, too. I realized that the Paris Mayoralty wants to invite me to France in the coming weeks. Then, probably I will travel to the United States for contacts with business circles around the Republican party, a visit that has been prepared some time ago.

[Andon] Is the visit to the United States also prepared by the Romanian diaspora?

[Halaicu] I intend to use the contacts with the diaspora of various ethnic groups that originally come from Romania.

[Andon] Including Hungarians, certainly.

[Halaicu] ...I do not like any kind of exclusiveness, neither on ethnic issues nor on political issues. For example, I do not understand this exclusive delimitation between monarchists and republicans. As far as the relations with Hungarians are concerned, I disapprove of outbursts such as the statements of certain ministers in Budapest, which are dangerous for people's reactions here; however, I make a clear delimitation between the mistakes that are made by certain Hungarian politicians outside our borders and the behavior of the greater part of the Hungarian ethnics in Romania, which I consider a correct one.

[Andon] You are a politician, but maybe you will leave for abroad with a package of urbanistic issues, too.

[Halaicu] First, I leave with my mind concentrated mainly on urbanistic issues! I will try to bring big Western firms here, whose presence should make a contribution to the radical changes in living conditions in our capital city. If I could convince big banks to come to Bucharest I would be the happiest man because I know that each of them would come with something in their bag that would mean progress for Bucharest. The cleaning of our city costs us 20 million dollars, which is equal to the sum earned by a bank in a few days. By "living side by side" with us, I am sure that the big firms would be interested in the urbanistic progress. Or, for example, the banking activity cannot be conceived without telecommunications, without good roads, and others. Virtually Bucharest could never be straightened out according to the Western system of local taxes based on income because of the low income of citizens and firms here. The needs of the city amount to 500 billion lei, thus we need much more important sources.

[Andon] What will happen if the banks do not come?

[Halaicu] We have to look for other sources, and I am thinking about them. I heard the proposal that the Parliament should take over the People's House. Why? To use it? With what money? Just to illuminate this building costs more than to illuminate the entire town of Ploiesti. This is a giant that is pulling the country's budget downward. In this case, why should we not turn it—at least partially—into a complex of big casinos and hotels, and a part of its profit should go to the local budget that would offer jobs, present something useful, and stop the building from deteriorating, and the foreigners who would come as clients should pay in hard currency for all services, starting with the consumption of fuel and electricity and ending with food and drinks.

[Andon] The greatest problem of the Bucharest resident in his capacity as urban resident, is the public transportation and the state of roads....

[Halaicu] ...With a stronger budget everything can be solved. When you have money, you can have both technical means and labor force.

[Andon] When you have all you need, how long will it take to see real progress in the state of roads in our town?

[Halaicu] We cannot even talk about it in less than four years. Actions have to be taken not to do a partial job and not to work on consequences but rather on causes. One of the major reasons is the fact that the water supply

system broke down or was diverted, and this has a negative effect on the sandy soil, producing holes. Thus, the entire infrastructure has to be reconditioned.

[Andon] In this case, do you think that four years is too short a time?

[Halaicu] For a visible beginning of the restoration it is not because there are modern means to carry out the work, means by which one can directly work under the ground. One of the representatives of our party is currently in Italy to examine such a method, through which one can work on the pipe system.

[Andon] Does the fact that you already have a representative in Italy for urban problems mean that you were sure of the victory?

[Halaicu] I was sure that even if I had not succeeded in the elections we would have still had representatives in the local council, and we had to do something. We do not favor the principle "either with us or if without us, then after us the deluge!" Had Mr. Cazimir Ionescu succeeded in the elections, I would have offered him our contacts in America. I am not sure that he would have resorted to them, but that is another matter.

[Andon] What do you think made a greater contribution to your victory: the political platform, the prestige of the party or of the coalition, your personal charm, or the weakness of your opponent?

[Halaicu] It was a combination of many factors. We cannot say that it was a 100-percent political victory, because that would mean that the Romanians have become liberals, but the population cannot turn liberal overnight. It cannot be considered a result of the charm, either, because that would mean that the electorate is watching television and takes into consideration only its impressions. We cannot talk about the weakness of the opponent, either, although my opinion is that Mr. Cazimir Ionescu made his first mistake when he got involved in politics; if you cannot control your nerves, and you are a bad loser, you should not be in politics. However, I do not believe that it is a loss for the Front, because in politics every defeat means a future victory. Even when the Front won, it won on the basis of a defeat, the defeat of the Communist Party, taking over something of what the Communist Party had lost.

[Andon] Are you talking about the masses?

[Halaicu] No, I am referring to the fact it took over a part of the populist ideology. In my opinion, the Front would have won in any event in May 1990, and I think it was a mistake that it resorted to the populist ideology. The FSN representatives could have said then that they were unable to fulfill various demands simply because it was impossible to do so. They would have been elected anyway; however, they would not have found themselves in the situation in which I can tell Mr. Cazimir Ionescu: You promised things, but you did not fulfill your promises!

[Andon] To clarify a still uncovered political area, I would like to ask you: Are you a monarchist or a republican?

[Halaicu] Neither—nor; or to be more precise: both.

[Andon] This is impossible! Each citizen with certain civic feelings is either a monarchist or a republican!

[Halaicu] I stick to my answer. For example, from the point of view of the budget I am a monarchist because a royal court is cheaper than a presidential apparatus. The court can be relatively narrow as far as decisions are concerned because it "works" with the material that it is offered by the government and the parliament, while a president must have an entire decisionmaking apparatus of its own; to all this, one can add the huge expenses of elections. From the point of view of modern Romania and of Mihai of Hohenzollern (who is old and does not have male heirs), I am a republican because monarchy no longer represents a solution for us as far as governing is concerned.

PAC Leader on Presidential Election Preparations

AU0303141092 Bucharest ROMPRES in English 1222 GMT 3 Mar 92

[Text] Bucharest ROMPRES 3/3/1992—Our interest is to take part in the legislative elections on common lists with the Democratic Convention and to back a single candidate for the presidential elections. The Convention will decide who that single candidate will be, Nicolae Manolescu, leader of the Civic Alliance Party [PAC], said in an interview with "ROMANIA LIBERA" daily, stressing: If it chooses another person I will abide by that decision. I am ready to quit at any time to maintain unity. The PAC leader said negotiations were under way among the parties of the Democratic Convention at the level of leadership members to pave the way for final dialogues with Corneliu Coposu, Radu Campeanu, Sergiu Cunescu and the other leaders. It is but normal as long as each of them is a potential candidate.

As for the chances of a single candidate of the Democratic Convention the PAC leader says that the experience of local polls has proved that the electorate is willing to follow the Convention. It would be a big mistake to field several candidates for the presidential elections. We must avoid this and I hope we will be able to do it, Mr. Manolescu says.

CD's Prospects in General Elections Assessed

AU0303135492 Bucharest CURIERUL NATIONAL in Romanian 26 Feb 92 p 4

[Andrei Alexandru article: "Where Is the Democratic Convention Heading?"]

[Text] The most ardent supporters of the preservation of unity within the Democratic Convention [CD], including during the general elections, are certainly those

who realize that they have the lowest electoral popularity. Finding themselves under such a large hat as the CD, they think that it is impossible not to gain something for themselves, too, after the parliamentary elections. However, let us see what the prospects are for maintaining such an electoral cartel?

Out of 14 parties and groups that make up the CD only three have a real representation: the National Liberal Party [PNL], the Democratic Union of Hungarians in Romania [UDMR], and the National Peasant Christian Democratic Party [PNT-cd]. The rest of the 11 parties are either trailing behind the other three parties, or they exist only nominally. Within this framework, it is evident that the preservation of unity depends only on the decision of the three major parties. It is sufficient for the PNL, for example, to withdraw from the alliance and the CD will no longer exist. In the case of local elections it was rather difficult for each party to come up with its own list of counselors and mayors. These lists would have been very weak from the point of view of human value. Where can one find so many good people with the same political orientation? As far as the general elections are concerned, the situation is different. Now, if a party is strong indeed it will be able to present about 500 candidates for the seats of senators and deputies, and later, after the elections, nobody will exclude a governmental coalition or prevent a united parliamentary group from taking the most efficient political actions. Maintaining certain parties or groups in the political arena in an artificial way cannot be beneficial to anybody. Can we place the claims of the PNL on the same level as those of the University Solidarity for example, which is also a member of the CD, or on the same level as those of the Party of Civic Alliance [PAC], which has a rather low representation throughout the country? Certainly not. And this is precisely the reason why the PNL registered enough complaints from its county branches about the forced equalization in setting up the lists for local elections. In many constituencies, the release of certain separate liberal lists was stopped with difficulty.

Another aspect that will contribute to the disintegration of the CD at the general elections is the difficult situation in which the UDMR involves its partners. How can one be side by side with the UDMR when one of the top members of this organization, Senator Geza Szocs, displays a hostile attitude toward Romania at the Council of Europe? How can one be side by side with the UDMR when through certain high dignitaries from Budapest absurd claims are voiced as far as Romania is concerned? Such a union can indeed be considered harmful and it would take away the votes of many Romanians who, if the UDMR were not part of the CD, would be supporting one or another group that makes up the CD. On the same subject, we can recall that in localities where it felt sure of itself, the UDMR advanced separate lists of counselors and mayors, disregarding the CD altogether.

In conclusion, we believe that at the future parliamentary elections, the current CD will be broken up into three unequal groups: 1. the PNL and the Romanian Social Democratic Party; 2. the PNT-cd and PAC; and 3. the UDMR. The rest of the nine groups that have a low number of sympathizers among the electorate will probably join one of the first two groups, thus achieving the beginning of the action that rallies all political groups around really important centers.

Significance of Opposition's Success Noted

AU0303134392 Bucharest ROMANIA LIBERA in Romanian 26 Feb 92 p 1

[Anton Uncu article: "The Romanian Revolution at the Second Round"]

[Text] The ruling party—the National Salvation Front [FSN]—back in December 1989 imagined that it concluded a solid contract with Romanian society to represent society's interest, no matter how it is going do this, believing that it is entitled to repress or denigrate those who contest this right. The cost of this error was our image in the world with all its effects.

The Jiu Valley miners made the mistake of believing that Bucharest residents, after they eliminated the Ceausescu dictatorship in the name of democracy and freedom, moved over to the other side of the barricade, fighting against the ideals of the revolution. Thus, they tried to offer the Bucharest residents their lesson in democracy. The mistake became evident only during the "second round" in September 1991, during the fourth incursion by the miners.

The parliamentary majority of the FSN made Timisoara a martyr for the second time (can you remember?!), thus spoiling its own image definitively and irremediably.

Finally, now, during the local elections, when the Front still hopes to achieve victory—if not a categorical victory, at least a comfortable one—it had to take note of the strong wish for changes expressed by the Romanian electorate.

Apart from any other evaluation, there is a shocking similarity that might become a criteria for confirmation even for the revolutionary act of December 1989. Then, Timisoara was the first one to act, assuming the risk of reprisals and succeeded in waking up the country, and Bucharest came after, slowly but decisively, and as a matter of fact, decided the fate of the revolution. Now, Timisoara opted for changes at the first opportunity, and Bucharest has followed again, still slowly, but decisively, during the second polls.... There is no doubt whatsoever about the fact that in the two standard-bearer big towns of the December revolution, just like in the other major towns where the price of freedom was fully paid, the FSN ruling party categorically lost the option of the electorate.

Is this only an event that lacks any significance? Does this touching similarity bother the Front leaders at all?

Does this mean a second stage in the struggle for changes, a struggle that started in December 1989?... This is happening exactly in the two towns where more people died in the struggle for democracy and freedom than anywhere else in East Europe?! Have Timisoara and Bucharest made a mistake now in February? Did they make a mistake in 1989? Because if they made no mistake, neither then nor now, the local elections that have taken place this month will become the second round of the Romanian revolution, which will be confirmed in this way. If they have erred, precisely those who were the first ones to assume then and now responsibility, risks, and sacrifices to achieve changes, then it means that the revolution itself was simply a mistake or it was not even a revolution. In this case, from what did the Front "emanate"—to use an expression that the Front likes to use?

The only thing left for us is to be informed that in December 1989 there was a state coup, through which a group of plotters succeeded in removing Ceausescu from power and gave us democracy and freedom as a present. But, in this case, we must find the answer to the question: What did people die for?

Daily Urges FSN, Opposition To Show 'Modesty'

AU0303090892 Bucharest TINERETUL LIBER in Romanian 27 Feb 92 p 1

[Dan Stanca editorial: "The Mayor and (or) the Prefect"]

[Text] The conclusion of these local elections has presented us with a dilemma. There is no doubt that tensions will emerge between the mayor and prefect [of Bucharest] from now on. The fierce degree of these tensions actually forms the core of our dilemma. For instance, in order to cushion the shock of defeat and maybe try the hocus-pocus of turning defeat into victory, daily AZI tells us on its front page that Bucharest has a prefect, namely Mr. Doru Pana, former general mayor, former minister, and current member of the National Salvation Front [FSN]. But what is the point of having a prefect at all? He is supposed to be a kind of government representative in charge of observing developments in local administration, that is the government's open eye in the heart of the City Hall. In keeping with this line of reasoning, one may say without too much exaggeration that the prefect can basically be the person who, thanks to his mandate, either supports or brakes the mayor's activity. In these circumstances, one can well imagine the relationship between Messrs. Halaicu [Crin Halaicu, Bucharest general mayor] and Pana. The pessimists will immediately smell disaster and start tearing their hair, while the optimists will celebrate and claim that this is an excellent opportunity to prove the harmony that exists between the two dominant political groupings in Bucharest; particularly since the liberals, as is well known, have entered the government and are working normally side by side with their political adversaries. I believe that the truth is somewhere in between, as always. This does not apply only to Bucharest—here the issue will be more to the forefront due to the size of the city—but to all the localities where the elections were won by the opposition candidates who, willy-nilly, will have to enter into an amicable dialogue, or a harsh conflict, with the prefects appointed by the FSN. If the country's overall interests take precedence and the FSN is not too haughty and realizes that this failure in the local elections may actually be to its own benefit, then good, cooperative relations will be established between the mayor and the prefect, to everybody's benefit. However, if petty conceits are not forgotten and we witness a repeat of the misunderstandings already apparent between the justice minister, a liberal, and the interior minister, a FSN man, then we all stand to lose and the greatest loser will actually be Romania. A minimum of patriotism is required at this time to allow things to develop in the right direction over the long term. This can only be done to the extent that both camps show moderation and modesty. This is the only way in which the FSN can avoid being seen as a kind of bastion of the old revanchist nomenklatura and the opposition as spotlessly clean chevaliers constantly fighting an atrocious monster. It is absolutely necessary to eliminate passion and judge in a European manner so as to be received into a Europe that has become increasingly tightfisted about receiving new members....

Nastase Rejects Rumors on Becoming FSN Leader

AU0303135792 Bucharest AZI in Romanian 26 Feb 92 p 3

[Interview with Romanian Foreign Minister Adrian Nastase by Dorina Baesu and reported by Corina Cretu at a Bucharest polling station on 23 February: "I Do Not Wish To Become a Party Leader"]

[Text] Recently, the press of the opposition launched the idea that Mr. Adrian Nastase will become the new leader of the National Salvation Front [FSN]. After a period of silence—during which the rumors have circulated with increasing insistence—our minister of foreign affairs clearly and unequivocally stated his position. In spite of these clarifications, speculations on this issue have continued. Even during his latest news conference, Mr. Petre Roman was asked repeatedly, in various ways, whether he expects to "step down" during the FSN National Convention that will take place in March and if yes, what is he going to do and who is going to replace him. The same week, a political commentary was published under the headline "Two Dogs Strive for a Bone and a Third Runs Away With it" in which the idea was expressed that the real winner in the Iliescu-Roman conflict is Adrian Nastase. In connection with this idea—that first was stifled but later was revived constantly in a suspicious way—Mr. Nastase had to refer once again to this subject when he was "cornered" by the reporters who were present on 23 February at the polling station where he cast his vote and where he was questioned by Dorina Baesu (from the CUVINTUL newspaper). Since the FSN is involved, here we reproduce the respective dialogue:

[Baesu] Mr. Minister, lately, and with increasing persistence, one can hear rumors to the effect that you will be elected to the leadership of the Front.

[Nastase] I do not know where such rumors come from. In any event I am very upset. Although rumors generally are founded, in this case they are not. My opinion is that you believe that I am not consistent, and this is something that bothers me. I made a certain statement at a certain moment, and I hope that you will grant me credit to be consistent in the statements that I make. I do not wish to become a party leader.

[Baesu] But has this been suggested to you?

[Nastase] No, this has not been proposed to me.

[Baesu] Do you have any suspicion about where such insistent rumors come from?

[Nastase] You are asking me a question that belongs to the field of sociology. I should try to eliminate the mechanism of rumors. I believe that there are always new ideas emerging, and one of the major problems of political parties is the problem of their leaders. Currently we live in times when leaders are being formed, leaders are sought, alternative formula emerge, and also frustrations can emerge....

[Baesu] In principle, do you believe that you would be suitable for the position of FSN leader?

[Nastase] No.

Roman Reviews Splitting Within Party Ranks

AU0303113592 Bucharest ROMANIA LIBERA in Romanian 29 Feb 92 p 8

[Interview with Petre Roman, National Leader of the National Salvation Front, by Darius Rochebin for the JOURNAL DE GENEVE, translated into Romanian by Vera Maria Neagu: "It Is Inadmissible To Defend the Ideology of the Past"]

[Text] In the interview he gave us during his short stay in Geneva, former Prime Minister Petre Roman denounced with unprecedented vigor the role of the Securitate and the attitude of President Ion Iliescu concerning this matter. In practical terms, there is a declared war going on between the two men. As to the government party, the National Salvation Front [FSN], it runs a high risk of splitting up—at its Convention next month—into conservatives, favorable for Iliescu, and the young group gathered around Petre Roman, the current leader.

[Rochebin] Your government was dismissed in September 1991, under the pressure of the miners. What was the role of the Romanian Intelligence Service [SRI]—the heir of the Securitate—and the role of Mr. Ion Iliescu?

[Roman] The miners came to Bucharest after their claims had been fulfilled. Who could have manipulated them, if not the Securitate network implanted into the Jiu Valley after the 1977 revolt? I am informed that Mr. Magureanu, head of the SRI, was certainly present in the Jiu Valley just before the events. Mr. Boda, presidential counselor, had also been there, several times....

[Rochebin] The powerful nationalist-populist press has also led an effective campaign against you, turning you into the caricature of "Jewish-inspired" capitalism, bringing about unemployment.

[Roman] These newspapers, the ROMANIA MARE [Great Romania] or the EUROPA [Europe], are organs of the Securitate, using its files. For instance, they have recently fabricated, in a perfectly professional way, a false birth certificate of Senator Gelu Voican (the memorable white-bearded man of the Ceausescu process, currently the black sheep of Securitate—note of the Swiss newspaper) to prove that he is a Jew.

[Rochebin] The newspapers and parties with ties to the Securitate are most of all taking advantage of the ultra-nationalist feelings. Regarding this issue, you used to have an ambiguous position yourself. Nevertheless, today you seem to be denouncing a certain complicity from the FSN conservatives and Mr. Iliescu.

[Roman] It is inadmissible to foster this ideology, which is identical with that of the past. I am amazed to see that all members of Ceausescu's political bureau have been freed, and that many old Securitate generals can now resume their offensive. Besides, people like Corneliu Vadim Tudor (former official Ceausescu propagandist, currently leader of the "Romania Mare" party, a violently racist and anti-West Securitate grouping—note of the Swiss newspaper) are received by Mr. Iliescu in the presidential palace.

[Rochebin] Your followers are charging Mr. Iliescu and his entourage with being the perpetrators of the old geopolitical formula, according to which Bucharest has to observe Moscow, first of all. He did not react firmly until it was certain that the coup would fail.

[Roman] Yes. An example will prove that. During the conservative coup in Moscow, Mr. Iliescu wanted to exert pressure on me and my government, so that we would not condemn the perpetrators'action too categorically in our official Communique.

[Rochebin] All this means that come the spring, you will run for president, even against Mr. Iliescu?

[Roman] Mr. Iliescu made efforts for our transition from the past to the future. But this future cannot continue to be entangled with the past. There is no way of balancing the

old system and democracy. Concerning the election of the presidential candidate, the decision lies with the FSN.

Assembly Deputy Favors Restructuring of FSN

AU0303140692 Bucharest ROMPRES in English 1220 GMT 3 Mar 92

[Text] Bucharest ROMPRES 3/3/1992—The National Salvation Front [FSN], this conglomerate is still a frame of mind, the frame of mind of the people who believe that it can be well, a state of hope, opines in an interview with "ADEVARUL" Ionel Roman, deputy speaker of the Assembly of Deputies, member of the Group for the Unity of the National Salvation Front.

The exponent of the group stressed that he was for "a civilized political dialogue, for a restructuring of the party's policy in keeping with realities in the country.

Referring to the role of national leader Petre Roman in the National Salvation Front, Ionel Roman said: I really like Roman. But we have already had a party-man, a government-man, a parliament-man.

"ADEVARUL" runs alongside the interview a note which reminds that on February 28 the aforementioned group tabled and registered a motion with the central headquarters of the National Salvation Front expressing the wish that it be taken in consideration by the Preparatory Commission of the National Convention of the Front at its first meeting.

Interrepublic

Macedonian, Serbian Premiers Discuss Cooperation

AU0303165492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 3 Mar 92

[Report by Marinela Raznatovic on news conference held by Radoman Bozovic, president of the Government of the Republic of Serbia, and Nikola Kljusev, president of the Government of Macedonia, in the Government of Serbia building, 3 March—recorded]

[Text] Radoman Bozovic, president of the Government of the Republic of Serbia, Nikola Kljusev, president of the Government of Macedonia, and their colleagues had talks today on promoting economic cooperation and the resolution of current problems, primarily in the mutual payments system. Much was also said about a unified monetary system.

At a news conference in the Government of Serbia building, in reply to the specific question of whether Macedonia will soon introduce its own currency, Kljusev said that this republic will remain in the Yugoslav monetary system but it is considering [words indistinct].

We have highlighted for this program the assessments of the talks by Bozovic and Kljusev. Marinela Raznatovic prepared the report:

[Bozovic]The talks were necessary simply as an exchange of views on those open problems concerning the duration of our global state crisis and, on the other hand, they were essential, in the (?pragmatic) sense, in order to eliminate misunderstandings concerning some specific measures which the Government of the Republic of Serbia is taking with the aim of protecting Serbian economic interests, which could be effected by nonadherence to the monetary, payments, and legal systems

[Kljusev] These were useful talks. We dealt with problems. We sought solutions. It was important that we strove to eliminate all speculation regarding cooperation. The Serbian delegation was inclined toward taking the central role in resolving Yugoslav problems, but we wanted to deal more with the bilateral problems between Macedonia and Serbia.

All in all, this was a useful meeting and we want to intensify all cooperation at various levels in the future.

Montenegro Shows 'Interest' in Slovene Firms

92BA0553B Ljubljana DELO in Slovene 17 Feb 92 p 3

[Article by Branko Jokic: "'Transformed' Property"—first paragraph is DELO introduction]

[Text] Montenegro has recently been showing great interest in Slovene enterprises, and especially in their property; Slovenijasport is now Srbijasport, etc.

Titograd, 16 Feb—Even before it was quite clear that Slovenia would leave Yugoslavia, unusual "interest" appeared in Montenegro in enterprises that had their headquarters in Slovenia. First of all, the employees at the Slovene representations began to be very interested in them, then came similar enterprises from Montenegro and Serbia, and then finally Montenegro itself.

In Titograd alone there were 30 such commercial entities, which had more than 5,000 square meters of business premises with several hundred employees. A large amount of goods has been taken away ("removed") from their premises, but it is difficult to determine the real facts about how much Slovene material assets in Montenegro were worth.

Most of the Slovene enterprises (the same is true of those with headquarters in Croatia) tried to take away in time at least part of their material and to sell their business premises. Only a few succeeded, and the Montenegrin authorities are now even demanding "verification" from these, which would mean in the end that the buyers would pay for any possible "illegalities" or that this would be taken into account in a final division of assets. Some other enterprises tried to transform themselves into joint firms.

The workers, of course, are in the most difficult position—both those in Slovenia who provided the money to buy business facilities in Montenegro, and those here, who were employed in them, but have now been left in the street.

The Slovene representations were mostly in the center of Titograd or other areas, and there is now a great deal of interest in their property. Various private banks and enterprises are interested in participating in "property restructuring," and the state has given them until the end of February to formulate suitable bids. Montenegro is already considering this property to be its own, and furthermore thinks that corresponding Montenegrin property has been "seized" in one way or another in Slovenia, and that an exchange will be made according to the principle of reciprocity.

It is interesting that there are not exactly a lot of Slovene enterprises that are making it known that they would like to stay in the Montenegrin market. On the other hand, there is a great shortage of goods from Slovenia.

[Box, p 3]

The Slovene enterprises in Montenegro: Slovenijasport is now Srbijasport, Astra belongs to Belgrade's Rapid, Iskra Commerce is Iskra Komerc Titograd from now on, Slovenijales is Montenegro Soles, Gorenje is Grad Komerc, Intertrade is the Enterprise for Foreign and Domestic Trade, Elan is now in private hands, Lesnina is still shut down, there are no goods in the shops of Kranj's Sava, Planika and Peko are selling shoes from Serbian factories (their legal status is not known), Termika's premises are continually closed, etc. The representations of Kompas and Adria, and the store of Celje's Zlatarne,

still doing business, although it is not known how long they will be, what their legal status is like, and how they are handling payment transactions.

Bosnia-Hercegovina

Izetbegovic Comments on Referendum, Barricades

LD0303150192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1418 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—The referendum in Bosnia-Herzegovina simply reaffirmed the decision passed by our republic's assembly last October about its autonomy and independence, Alija Izetbegovic, president of Bosnia-Herzegovina, stated today at a press conference. He also said that the referendum was necessary in order to gain international recognition as requested by our parliament from world community of over 80 states.

Asked by a foreign journalist how he planned to resolve the conflict with Karadzic [president of the Serbian Democratic Party] who has so far refused to accept Bosnia-Herzegovina's independence, Izetbegovic said:

"This is a conflict between Mr. Karadzic and the people; he will most likely have to resolve it together with the people". Izetbegovic went on to say that "the night before I was given an indication that barricades would be erected but I expected competent organs, in other words the Internal Affairs Ministry, to tackle the problem. However, the ministry was obviously inadequately prepared or equipped for this task, Izetbegovic said and went on to stress that "no barricades of this kind will ever again appear in Sarajevo. I shall invite all Sarajevo citizens, I shall invite 200,000, if necessary 300,000 people to prevent such actions", Izetbegovic said.

He expressed hope that "the practice of barricades" would end but went on to say that he could not discard the possibility of something similar happening elsewhere.

"I have no evidence or documentation but judging by what happened it can be concluded that they had been planned in advance," Izetbegovic said.

"What concessions? Tell me what are the concessions we made?" Izetbegovic said in reply to a foreign journalist who had described the conclusions reached by the Bosnia-Herzegovina Presidency last night as concessions to the Serbian Democratic Party. In any case, we—Izetbegovic said referring to his Party of Democratic Action—have for some time now been advocating a more appropriate internal system in the republic. My view is that in political negotiations under the auspices of the EC, no single solution will prevail. Most likely a compromise will be reached under which specific territorial units will be outlined on the basis of a combination of civic, technical-economic, transport and ethnic principles.

Izetbegovic said that the barricades were designed to procrastinate the process of Bosnia-Hercegovina's international recognition and that coming days and weeks would show if this objective had been achieved.

Asked about the killings, Izetbegovic said that all the victims were innocent people and that the murderers, regardless of their nationality, belonged to the same criminal category of people and should be judged by the same yardstick.

Bosnia-Herzegovina will not wait for international recognition to introduce its own currency and the republic's status is due to be discussed at the conference on Yugoslavia in Brussels on 9 March, it was said.

Silajdzic Comments on Sarajevo

AU0303143892 Vienna Oesterreich Eins Radio Network in German 1100 GMT 3 Mar 92

[Report by Alfred Schwarz and Armin Wolfon including statements by Bosnian Foreign Minister Haris Silajdzic in English with superimposed German translation on 3 March—recorded]

[Text] [Correspondent] There is confusion about the compromise that was negotiated between the Bosnian Presidency and the Bosnian Serbs. While according to reports issued this morning the Bosnian Presidency gave in to all Serbian demands, including that of a temporary renunciation on the part of Bosnia to proclaim independence, in an interview with the Austrian Broadcasting Service, Bosnian Foreign Minister Haris Silajdzic has now presented the situation differently.

According to Silajdzic, Bosnia-Hercegovina continues to stick to its course of independence. The Bosnian Parliament decided in favor of the republic's sovereignty on 15 October last year. The only reason for Sunday's referendum was to fulfill EC requirements for possible recognition. [Silajdzic] Our parliament has already decided and voted on the issue of independence, and it voted in favor of independence. Now we have the result of the referendum, and some 63 percent of all those entitled to vote supported independence. We needed the referendum because the responsible EC commission demanded such a referendum, because we had not held one before. Now we have fulfilled this condition, and we expect that Bosnia-Hercegovina will be recognized as soon as possible. [Correspndent] What is the compromise about that was achieved between the Presidency and the Serbs? The compromise only affects the internal organization of Bosnia-Hercegovina and not the issue of independence, Silajdzic said.

[Silajdzic] According to the statement issued by the Presidency, the referendum and the recognition of Bosnia-Hercegovina do not predetermine and anticipate the talks on the internal organization of Bosnia-Hercegovina. These talks are carried out under the auspices of the EC under the chairmanship of Mr. (Jose Cutilheiro).

[Correspondent] Besides, talks with the Serbs in connection with their other demands, such as dividing up television according to nationalities will be held within the next few days. It is possible to reach a compromise in this connection, but not on the fundamental issue of independence. Bosnia will apply to the EC for recognition, and expects a positive answer soon.

[Silajdzic] Since Bosnia-Hercegovina has now met the remaining EC condition—the referendum—we now expect to be recognized. We have already met the other EC conditions, such as compliance with human rights—there have been no complaints—or minority rights—we do not have any minorities here, and, of course, the compliance with all international agreements related to Bosnia-Hercegovina.

[Correspondent] The tension has eased in Sarajevo. The barricades that were set up not only by the Serbs but also by Muslims and Croats have been cleared. Schools and shops reopened. Silajdzic is optimistic as far as the next few days are concerned. The various nationalities have lived together peacefully for a hundred years, he said. In the past few days several demonstrations were held that proved that the people want peace. Yet, the Serbian side might try to destabilize the situation.

[Silajdzic] We cannot rule out that militant elements might try to disturb peace again to make an impression on the EC and other states, to demonstrate that the order has collapsed, that this state is not viable, and so on.

Despite the fact that the Serbs refuse to accept Serbia and Hercegovina's course toward independence, Silajdzic does not believe that a civil war will break out in his republic. All sides must engage in sensible negotiations, Foreign Minister Silajdzic concluded.

Koljevic Comments From London

LD0403000692 London ITV Television Network in English 1900 GMT 3 Mar 92

[Interview with Bosnia-Hercegovia Vice President Dr. Nikola Koljevic by correspondent Jon Snow in London on 3 March; from the "Channel 4 News" program—recorded]

[Text] I asked Vice President Koljevic if Serbian leaders thought the referendum on independence had been a mistake.

[Koljevic] We didn't think that the idea of the referendum was a mistake, and we thought that two other ethnic groups—Muslims and Croats—should have a referendum. What was the mistake was that the conference on Bosnia, the agreement on the transformation of Bosnia in a kind of federal republic of three different national units, wasn't finished before the referendum. So that was the mistake, and as you can see the Foreign Affairs Select Committee in this country, Mr. David Howell, predicted these tensions, and we knew these tensions. I don't know why the EC didn't.

[Snow] But the outcome wouldn't have been any different, would it? Surely, the outcome reflects precisely the minorities that we know of. The percentages are entirely in line with the minority make-up of Bosnia.

[Koljevic] Well exactly. You know the result of the referendum doesn't change anything except that it creates problems.

[Snow] And what is likely to be the end in Bosnia?

[Koljevic] I hope—and this is the reason why I'm here, for actually in London—that the conference on Bosnia, supervised by the EC, will go on. And not only go on, but that the people from Europe who made this mistake with the referendum and timing of the conference will stay in Bosnia until we reach the agreement. And not just come for one day then create some expectations; or, we come to certain agreement, but we don't finish the whole job. As they started, they should stay until we finish. If not, I think the only chance is UN, which is, by the way, the more appropriate place for solving these things.

[Snow] So, finally, your message, in a sense, to Europe, to the EC is: You played a part in getting us into this mess, you will have to stay with us, help us through it.

[Koljevic] Exactly. Exactly. That is what I am trying to do in London and, perhaps, in some other places, tomorrow and the day after tomorrow.

HDZ Satisfied With Referendum

LD0403105792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1131 GMT 4 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—We can state with satisfaction that at the referendum the citizens and nations of Bosnia-Hercegovina opted for its integrity and that political discussion about its internal organization can now resume in peace. This was stated today by Vlado Santic, vice president of the Croatian Democratic Community [HDZ] of Bosnia-Hercegovina, at a regular press conference. The widespread response by Croats, in particular by those from western Hercegovina, reflect the high level of their civil and moral consciousness.

HDZ General Secretary Ivan Markesic announced that out of the total of 1,954,956 citizens who cast their vote, 1,943,700 voted in favor of autonomy and independence of Bosnia-Hercegovina.

Santic said that Croats are in favor of an integral Herceg-Bosnia and that its internal organization should be arranged on the basis of sovereignty for the three nations and on the basis of cantons.

Preparations for an HDZ conference at which the resignation of its chairman, Stjepan Kljuic, is to be discussed and which is to be held on 23 March, are proceeding normally, officials of this, the third largest parliamentary party, announced.

Presidency Delivers Three Demands to Media

AU0203203292 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 2 Mar 92

[Text] Bosnia-Hercegovina Presidency members Biljana Plavsic and Franjo Boras and Information Minister Velibor Ostojic visited Sarajevo Radio and Television today and briefed the leadership on the conclusions the Presidency unanimously adopted and presented to the public, as well as on Presidency demands regarding Sarajevo Radio and Television. These demands were presented verbally and are as follows:

First, Sarajevo Radio and Television should broadcast without hindrance the programs from Serbian Radio and Television and Croatian Television, on the second program from 1930 [1830 GMT] until the end of the program.

Second, temporary editorial teams of equal ethnic representation should be formed at Sarajevo Radio and Television.

Third, all program activities regarding the referendum which prejudge the internal structure of Bosnia-Hercegovina before the end of the international conference on Bosnia-Hercegovina should be stopped. A demand was expressed that Sarajevo Radio and Television should express its position on these demands before the Presidency session scheduled for 1800 today and to inform the Presidency in this regard.

Examining these demands, the Collegium of Directors of Sarajevo Radio and Television believes that if the Presidency so demands, as of tomorrow, 3 March, the program on the second channel of Sarajevo Radio and Television could be organized so that the second and third newscasts of Serbian Television and of Croatian Television could be carried on the same day. The intervals could be filled by Sarajevo Television, Croatian Television, or Serbian Television programs, as the editorial team decides.

As regards the second demand, the collegium says that editorial teams with equal ethnic representation are already on duty. The programs of Sarajevo Radio and Television will continue to present all relevant facts connected with the referendum without prejudging political solutions for the internal structure of Bosnia-Hercegovina. The collegium asks the Presidency to take positions on the demands regarding Sarajevo Radio and Television, as well as on the responses of Sarajevo Radio and Television regarding these demands. The collegium holds that the programming changes being demanded, as well as changes to the composition of editorial teams, may have serious consequences for the unity of the Sarajevo Radio and Television collective and cause a reaction among listeners and viewers in Bosnia-Hercegovina.

The outgoing collegium, as well as the workers of Sarajevo Radio and Television, are ready to implement any Presidency decision believed able to help calm down the situation in Sarajevo and Bosnia-Hercegovina. We believe that the Presidency bears in mind that the Law on Sarajevo Radio and Television defines the collective as an independent and a non-party institution of public interest and that its founder is the Assembly of Bosnia-Hercegovina, the Sarajevo Radio and Television statement says.

Crisis Headquarters Issues Warning

AU0303203892 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 3 Mar 92

[Text] The Information Center of the Serbian People's Crisis Headquarters issued a warning to Sarajevo television and OSLOBODJENJE this evening which said the following:

The ink was not even dry on the agreement reached by the Presidency of Bosnia-Hercegovina before journalists from these these two news media rushed into a new offensive against the Serbian people. They forgot that the republican media were one of the subjects of the agreement, and that one of the key demands of the Serbian people's Crisis Headquarters was for the media not to support either a sovereign Bosnia or integral Yugoslavia before the Conference on Bosnia-Hercegovina ends.

First of all, these journalists tried to promote individuals and not the policy of reaching agreements and accords into the victors during the events and tensions of yesterday and the day before. The image of individuals as victors is false. Moreover, these people took to the streets only after the Presidency of Bosnia-Hercegovina had reached political agreement and after two representatives of political parties, Muhamed Cengic and Rajko Dukic, appeared before television cameras and called on those at the barricades and others in the streets to withdraw. The action of taking to the streets was a consequence of dangerous political manipulations, which fortunately did not result in large-scale tragedy. The public must also know that as a gesture of goodwill and readiness for a political agreement, the Serbian People's Crisis Headquarters ordered withdrawal from the barricades in Vojvoda Putnik Street as early as 1730 [1600 GMT]. Finally, the act of taking to the streets was neither spontaneous nor accidental, but well-organized, just as the appearance by leaders of some Muslim paranational [paranacionalan] parties on Sarajevo Television cameras near the Cathedral was neither accidental nor spontaneous.

Media Launches World Appeal for Aid

AU0303222692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 3 Mar 92

[Text] On the occasion of the demands for the division of Sarajevo Radio and Television, our journalists today issued an appeal to domestic and international listeners. This appeal reads as follows:

We are certain that you are following with concern the development of events in Bosnia-Hercegovina to which

the focus of the Yugoslav crisis is now being transferred. Our state, however, is threatened, not only by the neighboring states and their totalitarian regimes, but by political parties in Bosnia-Hercegovina which have managed to share power on an ethnic basis, thereby bringing the republic to the verge of civil war. The only thing that the ethnic parties have not managed to do so far is to divide Sarajevo Radio and Television and its programs. This has not happened due to the unity of our staff and their readiness to maintain their independence, despite attempts over several months to exhaust them economically and which has brought their standard of living to the bare subsistence level. Therefore, it does not surprise us that Sarajevo Radio and Television is now the major issue in the crisis in Bosnia-Hercegovina. The removal of barricades from Sarajevo streets was made conditional upon an ethnic division of this news medium, and the authorities have given their consent to that in principle. We believe that you understand the tragic consequences that meeting this demand may lead to.

The war in Croatia was prepared by Belgrade and Zagreb media under the control of the ruling parties. Therefore, we are asking you to appeal to your governments to prevent this planned division, even through pressure of international forces on the authorities in Bosnia-Hercegovina.

This appeal is followed by the signatures of journalists of Sarajevo Radio and Television.

General Defends Army Position on 'Intervention'

AU0303211692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 3 Mar 92

[Text] A news conference was held at the General Kosta Nadj Army School Center today, where rumors that shots were fired from the barracks last night at participants in peaceful demonstrations against the barricades were denied. Commenting on the events in Sarajevo yesterday, Major General Milos Baros said that the building of the barricades represented a shameful act and that such attempts to solve political problems in the republic may result in all-out massacre.

Asked whether the Army should have appeared in the streets yesterday, Baros said that such a move would have been bad. Even if the barricades had remained today, the Army would not have interfered. There would be an intervention only in the case of larger interethnic clashes, it was said at the news conference.

Army Denies Sarajevo Involvement

LD0303214792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1907 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—Members of the Yugoslav Peoples' Army [JNA] in the garrison in Sarajevo and the general area did not fire a single bullet during the disturbances in this town, the Information Department of the Second Military District has announced.

In these incidents, the JNA acted with dignity and at no time did it do anything that might have complicated the situation there. On the contrary, it did everything to calm the situation and to ensure conditions for the resolution of controversial questions in a peaceful and civilized way, the statement says. The reason for this reaction is the statement last night by a girl who, in Sarajevo TV's "Live" program stated, without any proof, "that the Army fired at innocent people." In the recording one can hear someone whispering "say it, say that the Army fired," the statement stresses.

"Since we have a recording of the above-mentioned statement, we will be requesting, via the Ministry of Internal Affairs of Bosnia-Hercegovina, that the person in question provides evidence for this claim," says the statement of the Information Department of the Second Military District.

Izetbegovic, Karadzic To Meet Garrison Chief

AU0303232092 Belgrade RTB Television Network in Serbo-Croatian 2200 GMT 3 Mar 92

[Report by Zoran Lukovic in Sarajevo]

[Text] Our reporter contacted us for the third time immediately before the beginning of the Dnevnik news program with new information, so let us hear what the latest news is:

Approximately 15 or 20 minutes ago, YUTEL viewers were addressed through two telephone calls, first by Radovan Karadzic [president of the Serbian Democratic Party] and then by Alija Izetbegovic [president of the Bosnia-Hercegovina Presidency].

Karadzic claimed that an organized mobilization of Muslims is underway, moving toward the Serbian districts of Sarajevo and attacking them. He also said that some Serbs have been injured. He noted that Serbs outside Sarajevo have offered to come and help, but he had told them to remain where they are for now. Alija Izetbegovic, however, who addressed the viewers immediately after Karadzic, said that everything began because groups of armed Serbs had appeared at the outskirts of Sarajevo. He said that it is true that Muslims have been mobilized partially due to the fear and panic among them.

At the moment, apart from these two statements, nothing more can be said, but the very fact that both Karadzic and Izetbegovic have spoken says enough. Everything that happens tonight, and let us hope that it will be neither tragic nor excessively dangerous, will be sorted out within 30 minutes to an hour.

At the moment it is impossible to say anything beyond what already has been said. The footage that you saw during the report from our colleague Lukovic was received from Sarajevo Television this evening. It has been announced that in 10 or 15 minutes time Karadzic,

president of the Serbian Democratic Party and Izetbegovic, president of the Bosnia-Hercegovina Presidency, will hold talks with General Kukanjac [commander of Second Army District] in Sarajevo in the Sarajevo garrison. Let us hope that these talks will bear fruit and that the tension will diminish. If there is new information, we expect our reporter to come back during the course of the program, if possible considering the state of the telephone lines.

Meeting Continues, Troops Deployed

LD0303234892 Belgrade TANJUG Domestic Service in Serbo-Croatian 2309 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—A meeting started tonight in the 2nd Military District Headquarters in Sarajevo, in which General Milutin Kukanjac; Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina; Radovan Karadzic, chairman of the Serbian Democratic Party; Muhamed Cengic, deputy prime minister of Bosnia-Hercegovina; Alija Delimustafic, minister of internal affairs and his deputy, Vitomir Zepinic, are participating.

Although this meeting is in progress, we have learned unofficially that a decision already has been made to dispatch joint patrols of the Ministry of Internal Affairs (MUP) and the Army to all key points in the town as soon as possible. At the same time, we have learned at the Ministry of Internal Affairs that reserve police units, which will be involved in these activities, have been mobilized. According to his own statement at today's news conference—at which he commented on the results of the referendum—Alija Izetbegovic suggested the idea of joint Army and MUP patrols as early as last night. However, since the barricades already had been erected, the idea was abandoned in order not to cause clashes between the Army and civilians.

Sarajevo Television has broadcast a special news bulletin this evening notifiying the inhabitants that there are no reasons for erecting barricades, which have begun to spring up spontaneously on almost every street in the capital of Bosnia-Hercegovina, manned by a large number of armed civilians.

The reasons for all this are various pieces of false information which the alarmed citizens are relying upon, and on that basis are deciding to erect barricades.

Statement on Joint Patrols Issued

AU0403003192 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2301 GMT 3 Mar 92

[Interview with Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency; Radovan Karadzic, president of the Serbian Democratic Party; and General Milutin Kukanjac, commander of the Second Army District, by Velibor Golubovic from the Headquarters of the Second Army District—live]

[Excerpts] A few minutes ago we reported the news that an agreement had been reached between the leaders and General Kukanjac. They are here and we have the opportunity to hear what has been agreed upon and decided.

[Izetbegovic] We have stated here, and I hope sincerely, that no one here wants war, Serbs and Muslims above all. [Word indistinct] there could be a conflict because of a mistake. To discount this mistake and to prevent war, and peace being neither in the hands of armed Muslims in particular nor Serbs in particular, and (?there being a conflict), we decided to set up joint mixed patrols, military and militia patrols, which will tour the town together and ensure security. They will replace those armed Muslim and Serbian units which are there now and they will remove the barricades.

We believe that this is the solution. They can guarantee peace and I believe that the people will [words indistinct] such mixed patrols.

[Golubovic] What will be done now? Will the armed people at the barricades withdraw?

[Izetbegovic] Yes. We have [word indistinct] them and we are calling on them to withdraw, of course, as soon as these patrols arrive. Therefore, let them know that the patrols will come and let them withdraw and remove the barricades.

[Golubovic] Mr. Karadzic, we would like to hear from you.

[Karadzic] I am in total agreement with General Kukanjac's proposal for mixed patrols of the Yugoslav People's Army and the militia to ensure the security of the citizenry. We have here, I hope sincerely, stated that neither Serbs nor Muslims want to start a civil war. It can start merely with only an incident and because of one misunderstanding, because feelings are running so high. Mistrust is great. The Army's help is essential for us, and it is essential that the Army (?tour) the town, with all powers, together with the militia.

My message is for citizens to remain in their homes and in their districts, because there are several homogeneous Serbian and Muslim districts. After rumors and probably after some excuses for rumors that there have been movements and mobilization and so on, fear has been created and [words indistinct]. At this moment, the citizens of Sarajevo should be told that civil war has not begun. We do not want civil war. We are surrendering the security of the citizens to friends in the Yugoslav People's Army and its mixed patrols with the militia.

[Golubovic] (?You will stop the Serbs).

[Karadzic] You know, the Serbs reacted spontaneously to that unfortunate political killing [words indistinct]. Because of the state of feelings, this was a political killing. After that, the Serbian Democratic Party very successfully put itself at the head of a spontaneous movement and this ended yesterday with agreements.

Now, it does not help us much to establish who was to blame if something somehow actually happens. As regards the Serbs, I can guarantee that there is no desire whatsoever for civil war and attacks, and of course Serbs and Muslims will [word indistinct] to defend themselves. If no one attacks, then there will be no need for self-defense.

[Kukanjac] [passage omitted] This action is correct and the only possible one at the moment, although it is risky. I would ask all citizens and those who perhaps are at the barricades now to bear in mind that the soldiers and militiamen in the joint patrols are someone's sons, and that they should welcome them in the nicest way and to listen to them in the interest of all citizens and particularly those at the barricades. I believe that we have agreed together, Mr. Karadzic and Mr. Izetbegovic, and so on. We believe that this is the only right and logical thing [words indistinct].

[Golubovic] Will peace return to Sarajevo?

[Kukanjac] I believe so. [passage omitted]

MUP Urges Citizens To Stay Calm

LD0303234392 Belgrade TANJUG Domestic Service in Serbo-Croatian 2230 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—The Bosnia-Hercegovina Ministry of Internal Affairs [MUP] announced tonight that barricades had been put up in several places in the capital. The MUP statement stresses that there is no reason for the inhabitants of Sarajevo and the people of Bosnia-Hercegovina to take any steps that will jeopardize the general, personal, and property safety of this republic's citizens. The MUP asks all citizens not to be misled by assorted false rumors suggesting that "allegedly the Chetniks are marching down from Sokolac," or "that the Muslims are taking over Tilva." The MUP appeals to citizens to remain calm and not to do anything that may breach the peace, advocated both by the crisis headquarters of the Serbian people of Bosnia-Hercegovina and by the Party of Democratic Action.

Ministry Names Suspects in 1 March Killings

LD0303214192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1900 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—In connection with the murder of Nikola Gardovic on 1 March and the wounding of Radenka Mirovic, the Ministry of Internal Affairs (MUP) of Bosnia-Hercegovina announced tonight that, following an investigation and the gathering of material and other pieces of evidence, there is a well-founded suspicion that the perpetrators of this act are Ramiz Delalic and Suad Sabovic, both from Sarajevo.

Since theese people are in hiding, the Bosnia-Hercegovina MUP has issued a warrant for their arrest and is taking all necessary measures to find Delalic and Sabovic and bring them to the investigating judge of the competent court.

In connection with yesterday's killing of Kenan Demirovic in Kobilja Glava, near Vogosca, and the killing of Ramo Biber on Trebevic, the Bosnia-Hercegovina MUP announced that, following an investigation and the gathering of material and other pieces of evidence, a number of people have been detained for whom there is a well-founded suspicion that they committed these acts. Their names are not being announced for the sake of the investigation.

In connection with the death of Strajo Pandurevic on 1 March at a barricade near the Bratstvo-Jedinstvo bridge in Sarajevo, the Bosnia-Hercegovina MUP announced that he died as a victim of the careless handling of arms by a person who was with him at the barricade.

Ruling Muslim Party Condems 'Unprovoked' Murder

LD0303150392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1104 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—Last night, "the 26th Muslim was killed in the past five months in Bosnia-Hercegovina" at Kobilja Glava in Sarajevo, today's statement of the Party of Democratic Action Executive Committee, signed by Irfan Ajanovic, says. The killing was unprovoked. Serbian neighbors killed their Muslim neighbor in front of his house and wounded another neighbor, the statement stresses. Eighteen-year-old Kenan Demirovic perished. He was killed only because he was a Muslim, the Party of Democratic Action says in the statement.

OSLOBODJENJE carried only two brief sentences about this killing. The 1 March Bascarsija Sarajevo killing was presented in the media and in political circles as a shot at the Serbian people, as the killing of a Serb, the Party of Democratic Action's statement says. If a Muslim is found to have committed the crime, which has not yet been the case, that would represent the first killing of a Serb by a Muslim in the past five months, the Party of Democratic Action says. The 26th Muslim fell last night. He was not killed by the brotherly Serbian people. He was killed by a policy which is imposed on the Serbian people as its own and which was not drawn up in Bosnia-Hercegovina but in Belgrade, from where it is led, the Party of Democratic Action says in conclusion.

Serbs Say No Agreement Possible with Muslims

AU0403085692 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 4 Mar 92

[Text] The Crisis Headquarters of the Serbian Autonomous Region of Romanija issued a communique in which it is stated that they have lost hope that a political agreement with the Muslim nation is possible. The Serbs of Romanija, the communique continues, will take all

measures to maintain complete control in the Serbian Autonomous Region of Romanija.

SDA Says Conflicting Reports Heighten 'Anxiety'

LD0403021792 Belgrade TANJUG in English 0131 GMT 4 Mar 92

[Text] Sarajevo, March 3 (TANJUG)—The situation in Sarajevo deteriorated tonight after reports spread in the afternoon that armed civilians were seizing some parts of the city, according to a statement released tonight by the Party of Democratic Action, which rallies Muslims.

Further anxiety was caused by rumours that groups of armed civilians were moving towards Sarajevo, the statement said, and added that there were "verified reports that Yugoslav People's Army (JNA) units were distributing weapons to the Serb population at a number of points in the city." The statement said that citizens of Serb nationality had set up barricades in the afternoon hours, underscoring that "fire was opened from the barricades and other locations" and that the "population was extremely disturbed."

The population, relying on their experience of the previous day, "organized themselves" and set up barricades, the note set out, in order to prevent the entry of armed civilians into Sarajevo. Evidently, these barricades were set up by Muslims. The Party of Democratic Action appeals to citizens to remain calm and collected, asking them not to react to provocations and not to be taken in by misinformation, in ovder to avoid chaos in the city. The enemies of peace want chaos, the statement said, "in order to have cause for a larger scale operation, or even an intervention by the Army." There are no inter-ethnic conflicts, nor are Serbs in Sarajevo threatened, the statement by the Party of Democratic Action concludes.

Village Barricades Protest Sarajevo Accord

LD0303131392 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 3 Mar 92

[Excerpts] Tuzla is almost cut off from the world. Traffic on the Tuzla-Doboj road is blocked by barricades in (Brijesnica) and Klokotnica. Traffic between Brcko and Bijeljina is also blocked by barricades in the village of Dragaljevac. For the same reason, traffic between Tuzla and Sarajevo is blocked. Barricades in the villages of [names indistinct] halted several hundred vehicles on the Klade-Vlasenica-Zvornik road between Monday night and Tuesday morning. The barricades in the villages of (Vranac) and Dugo Polje have not been removed even after two days of talks between those manning the barricades and the authorities and the police from Modric and Doboj. Those who erected the barricades are demanding direct negotiations with Bosnia-Hercegovina Prime Minister Jure Pelivan, and with the interior and defense ministers. [passage omitted]

Both Muslims and Serbs are now actively erecting about 10 barricades in north and northeast Bosnia. They are all armed and are refusing to endorse the agreement reached last night in Sarajevo.

Barricades Near Doboj Lifted

LD0303190192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1544 GMT 3 Mar 92

[Text] Doboj, 3 Mar (TANJUG)—This afternoon the main Doboj-Tuzla Road was unblocked shortly after 1400 [1300 GMT], following the removal of barricades at Brijesnica and Klokotnica. These barricades were erected by villagers last night to protest the blockade of roads from Doboj to Modrica and the passage of a military column through Mala Brijesnica. At the same time, traffic resumed on the regional Doboj-Modrica Road after the barricade erected two days ago in Vranjak was removed. Talks are under way aimed at the removal of barricades in Dugo Polje, near Modrica so traffic can resume on the main Doboj-Bosanski Samac Road, which has been blocked for two days.

More Sarajevo Barricades Removed

LD0303235492 Belgrade TANJUG Domestic Service in Serbo-Croatian 2316 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—Following the appeal by the Bosnia-Hercegovina Ministry of Internal Affairs, there have been indications that some barricades in Sarajevo are being removed. Radio Sarajevo has been reporting that the barricade in Hrasnica has been removed. We have learned from the Ministry of Internal Affairs that reserve police units currently are engaged there to prevent a a resurgence of chaos in the town.

Muslims Mobilized in Sarajevo

LD0303230392 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 3 Mar 92

[Report by Slavko Rako in Sarajevo]

[Text] Is Sarajevo on the brink of a civil war? This is the question for the inhabitants of Sarajevo in the past few minutes. At the end of this evening's television program, Radovan Karadzic, chairman of the Serbian Democratic Party, joined in the program directly by telephone and announced that this evening the mobilization of Muslims has been carried out. They are armed and approaching the parts of the town inhabited predominantly by Serbs. There has already been some shooting in these parts. There are wounded and injured. Streets around Karadzic's house are blocked by barricades. Serbs in Pale, a predominantly Serbian suburb municipality of Sarajevo, have been attacked. Karadzic announced that he spoke on a special telephone line to the president of the Presidency of Bosnia-Hercegovina and to Alija Izetbegovic, chairman of the Party of Democratic Action.

Mr. Izetbegovic was also asked by Yugoslav television to join in the program. He said that there has been no movement by Muslims, but that at the entrance to Sarajevo, at Visegrad gate, large columns of Arkan's and Seselj's [Serbian national leaders] supporters have been observed. They are said to be preparing to attack the town. Izetbegovic called on Muslims not to shoot. He told Karadzic that it is not true that Serbian parts of the town have been attacked, but did confirm the information that certain units that will certainly not allow other units to penetrate the town have been mobilized. He also said that such units are stationed at the entrance to the town from the direction of Kalinovik. At the insistance of the television program's editor, it was arranged for talks to take place in a half hour at the 2d Military District Command in Sarajevo between Izetbegovic and Karadzic and the unit commander, General Kukanjac. I will report on the latest news at midnight or earlier if it is necessary. I would like to say that Alija Izetbegovic has accused the Serbian Democratic Party of deception. When it was said that Dubrovnik had attacked Trebinje, that was used as a pretext for an attack on Dubrovnik. The same is being done now with Sarajevo, he said. Telephone lines are also in question even though I am reporting from a telephone in the neighborhood of these events. However, this part of the town is without public street lights.

Sarajevo 'Normal'; Barricades in Sipovo

LD0403090992 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 4 Mar 92

[Report by Slavko Rako from Sarajevo]

[Excerpt] [Passage omitted] It can be said that life in Sarajevo appears to be normal this morning. Traffic in the city is functioning although not many private cars can be seen in the streets. Schools, kindergartens, hospitals, medical centers, and shops are all open. Bus services in and out of Sarajevo have however not resumed this morning.

Military and police patrols which removed the barricades overnight have been withdrawn from the streets. The number of policemen out on duty is slightly higher than usual. The only barricades still standing are on the Sarajevo to Pale road and around Visoko.

Reports have been coming in of barricades in the Sipovo area, where roads leading to Glamoc, Kupres, and Jajce have been blocked since early this morning. A powerful explosion was heard in Sipovo overnight, but there are no reports on its effects.

Area Skirmishes Reported; Wounded Unaccounted For

LD0403015192 Belgrade TANJUG Domestic Service in Serbo-Croatian 2351 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—Two persons, one a child, were seriously wounded during shooting in Pale tonight, the crisis headquarters of that suburb reported. They were wounded, it is stated, in shooting from a column of cars which were approaching Pale. The crisis headquarters also stresses that barricades have been erected in Pale for the purposes of self-defense. "We are not attacking anybody, we are only defending ourselves," the crisis headquarters said. TANJUG has learned that the Sarajevo-Foca road is still blocked. Several barricades, where armed civilians are controlling traffic, have been erected at the entrance to Trnovo. In the capital of Bosnia-Hercegovina there is no information about wounded on any of about 10 barricades. Some of the barricades are manned by Muslims and some by Serbs.

Sava Bridge Closed in Bosanski Brod

LD0303170792 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 3 Mar 92

[Report by Vladimir Fajgl]

[Text] The situation in Bosanski Brod is extremely dramatic. A little after 1600 terrorists, members of the Serbian territorial defense, and reservists opened fire on a police patrol which was controlling traffic at a crossroads in Bosanski Brod. Having occupied positions on the approaches to the Sava bridge on the Bosnian bank of the Sava river, terrorists dug machinegun nests and fired several shots at the Slavonian side.

The crisis headquarters of Slavonski Brod immediately reacted by ordering the closure of the Sava bridge between the two towns [Slavonski Brod and Bosanski Brod]. Citizens of Slavonski Brod were publicly called on not to walk along the Sava bank. Representatives of the Bosnia-Hercegovina government and its Ministry of internal Affairs are expected to arrive in Bosanski Brod soon. It has been announced that they boarded a helicopter and are on their way there.

Clashes With Police Continue

LD0403013892 Belgrade TANJUG Domestic Service in Serbo-Croatian 2311 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—One person was seriously wounded and three slightly wounded in shooting in Bosanski Brod, Sarajevo Television reported in the midnight's bulletin. These casualties occurred in clashes between the territorial units of the Serbian municipality of Bosanski Brod and the police in the streets of Bosanski Brod.

Sarajevo Television has announced that shooting has stopped, but sporadic shots can still be heard. The talks about the resolution of this conflict, which was caused by the dispute about the use of roads in the atmosphere of tense inter-ethnic relations, are in progress in the municipal assembly.

The situation in Travnik is also extremely tense. The crisis headquarters have demanded that the republican authorities engage the territorial defense.

'Fierce Fighting' Reported

AU0403085092 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 4 Mar 92

[Text] According to the information arriving from Bosanski Brod, there is fighting in the town. Several tens of mortar projectiles [minobacacki projektili] were launched on the town center in the morning hours. According to the television reports, fierce battles are being fought between Slavonski Brod and Bosanski Brod. There is no information about the casualties in this town. Sarajevo Television reports that barricades have been erected on the access road to Visoko. A joint Army-police patrol has been sent there.

Cease-Fire in Effect in Bosanski Brod

LD0403085392 Belgrade TANJUG Domestic Service in Serbo-Croatian 0817 GMT 4 Mar 92

[Text] Sarajevo, 4 Mar (TANJUG)— A cease-fire is in force in Bosanski Brod between members of the territorial defense and the police, Sarajevo radio has reported. The town has sent an appeal to the Bosnia-Hercegovina Government to take measures to prevent bloodshed.

There is no telephone link with Bosanski Brod this morning. It is reported that mortar shells were fired in the town this morning.

A Sarajevo radio reporter says that the population is "in panic and villages are up in arms with vigilante groups patrolling the villages".

Situation Detailed

AU0403084692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 0800 GMT 4 Mar 92

[Text] Respected listeners, let us first hear our correspondent Goran Jordanovic from Basanski Brod:

[Jordanovic] Shortly before 0800 [0700 GMT], Radio Slavonski Brod broadcast a statement issued by the Bosanski Brod Communal Information Center that an agreement has been reached about an absolute cease-fire and that negotiations are currently being held.

A real armed clash ebgan in Bosanski Brod last night. Dozens of bombs [granata] fell on the town area. A fierce mortar attack was launched on the town (?area) at 0345. Projectiles fell on the department store, the (?Lamele) suburb, and near the bridge. The residents also heard strong detonations, probably from (?various types) of artillery pieces.

(?Before) the leaders of the political parties (?reached) an agreement on a cease-fire and the removal of the barricades from the Bosanski Brod-Derventa road during the night, events went in a (?drastic direction). It all started yesterday when the Serbian territorials took the intersection in front of the bridge between Bosanski Brod and Slavonski Brod and came to the area around the city center itself. This is when the fierce shooting started. It lasted several hours. We appeal again via Radio Sarajevo to the public of Bosnia-Hercegovina, the organs of authority, the government, and the presidency to urgently [word indistinct] and stop these events that are taking place in Bosanski Brod. [words indistinct] talk to their parties and offer to one another assurances that they will not open fire first.

Local Official Wounded

LD0403112292 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 4 Mar 92

[Report by Vladimir Fajgl]

[Excerpt] There has been a lull in Bosanski Brod since 0800 this morning when a cease-fire agreement was reached between the warring sides. According to the local information center, the post office building was surrounded at one point after snipers allegedly began to operate in the town. It is thought that a mortar attack on Bosanski Brod this morning was launched from the barricades in Brodsko Polje situated on the territory of so-called Serbian municipality of Bosanski Brod. The town's defenders responded to the attack.

According to the Doboj-based regional information center, about 100 mortar shells hit Bosanski Brod and its environs in the period between 0400, when the attack began, and 0800. It has been confirmed that mortar shells damaged two cars in the town. We have received no reports about other damage.

The Bosanski Brod medical center has not received any emergency calls to intervene and it is believed that there were no casualties in this attack on the town.

It has been learned that Mihajlo Sremac, president of the Executive Council of the Bosanski Brod municipality, was wounded in an exchange of fire overnight. According to the same sources, during the night citizens allegedly arrested Miroslav Radovanovic, chairman of the local branch of the Serbian Democratic Party and of the crisis center of the so-called Serb municipality of Bosanski Brod, who was released shortly afterwards. [passage omitted]

Republic, Bosanski Brod Leader Talks Under Way

AU0303215892 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 3 Mar 92

[Text] Several people have been killed and injured in today's fighting in Bosanski Brod, but the final totals are not yet known. The latest information that we have received from this town says that representatives of Bosnia-Hercegovina's Internal Affairs Ministry, headed by Avdo (?Hebib), arrived in Bosanski Brod some time before 2100 [2000 GMT] and immediately joined negotiations to resolve the situation. Let us hear the latest information as reported by Mladen Vasiljevic:

[Begin recording] Talks between representatives of the republican authorities and the communal leaders are under way in the building of the communal Assembly of Bosanski Brod to find a way out of the dead end which has led Bosanski Brod's residents to the verge of civil war.

Even though after three hours of fierce fighting, Miroslav Radovanovic, president of the Crisis Headquarters of the Serbian commune, and Mirko Jonic, president of the communal Assembly of Bosanski Brod, called for a cease-fire, sporadic shooting can still be heard on the streets of Bosanski Brod. The four-day blockade of the roads of the (?eastern part) of the Bosanski Brod commune thus is experiencing its bloody finale.

We have learned from reliable sources that one person has been seriously injured and three slightly injured. [end recording]

Officials Seek to Defuse Crisis

LD0403100792 Belgrade TANJUG Domestic Service in Serbo-Croatian 0852 GMT 4 Mar 92

[Text] Sarajevo, 4 Mar (TANJUG)—Representatives of the Bosnia-Hercegovina Government have announced their imminent departure for Bosanski Novi and Visoko. According to Miodrag Simovic, vice president of the government, who with the other two vice presidents is standing in for Prime Minister Jure Pelivan, who is unwell, a government delegation comprising Simovic and Defense Minister Jerko Doko will leave for Bosanski Brod this morning. A number of government ministers are already in the field throughout the republic trying to defuse the situation.

Simovic said that according to information at his disposal the situation in Sarajevo is satisfactory.

Simovic appealed to the people of Bosanski Brod and Visoko, where barricades have also been erected and where sporadic fire could be heard overnight, to behave in accordance with an agreement reached by Bosnia-Hercegovina Presidency President Alija Izetbegovic, Dr. Radovan Karadzic, and the Second Army District commander.

Simovic said that everyone should contribute to the efforts to pull out of the crisis situation prevailing in some parts of Bosnia- Hecegovina.

Simovic expressed his firm belief that peace will be restored in Bosnia-Hercegovina within hours.

Croatia

Diplomatic Relations Established With Estonia

LD0303145692 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 3 Mar 92

[Text] The Republic of Croatia and the Republic of Estonia have established diplomatic relations at the ambassadorial level through an exchange of diplomatic notes. The Ministry of Foreign Affairs of the Republic of Estonia sent a note to the Croatian Ministry of Foreign Affairs yesterday expressing the hope that the establishment of diplomatic relations between our two countries will contribute to the development and promotion of all forms of cooperation and the deepening of friendly relations.

Deputy Premier Takes Exception to Jovic UN Letter

LD0303221692 Zagreb HTV Television in Serbo-Croatian 1830 GMT 3 Mar 92

[Text] Croatian Deputy Premier Dr Milan Ramljak, chairman of the working group for support of the UN peace plan, sent a letter to UN Secretary-General Butrus Ghali. A copy of the letter was sent to Colonel John Wilson, commander of the UN liaison officer group. The letter reads:

Dear Sir, on 29 February, Belgrade TV informed its viewers about the letter which Borisav Jovic sent to your excellency. According to that information, Mr. Jovic offered the peacekeeping forces accommodation in former barracks situated in the areas under UN protection, which would reduce the expenses of the peace operation.

If that was really offered, we would like to draw your attention to the fact that the Yugoslav People's Army [JNA] or former Yugoslavia have no property, and never have had any, on the territory of the Republic of Croatia. The barracks which the JNA used have always been, even under the former Yugoslavia's regime, the property of the Republic of Croatia. This offer is a well-known cynical attempt of the Republic of Serbia, expressed through the institutions of former Yugoslavia, intending to legalize the right of the former federal state to dispose of the property of the Republic of Croatia, to humiliate the Republic of Croatia, to avoid the contribution of the Republic of Serbia to the peace forces' budget, and thus delay or prevent their arrival in Croatia.

Our opinion is that the United Nations should clearly warn the Serbian side that the United Nations will not negotiate Croatian property with Serbia. As I have said in my letters of 22 and 29 February 1992, the UN forces can use the barracks of the former JNA, as well as facilities which belong to the Republic of Croatia, and are now empty, without paying any rent. However, it must be understood and accepted that all the areas under UN protection are on Croatian territory, and that the barracks on that territory are the property of the Republic of Croatia. Therefore, nobody other than the Government of the Republic of Croatia can offer them as accommodation facilities, the Croatian deputy premier stressed in his letter to UN Secretary General Butrus Ghali.

Tudjman News Conference on Bosnia Repercussions

LD0203231692 Zagreb Radio Croatia Network in Serbo-Croatian 1104 GMT 2 Mar 92

[News conference by Croatian President Franjo Tudjman with correspondents in Zagreb—live]

[Excerpts] Dear listeners, this a regular news conference by Croatian President Franjo Tudjman in Zagorje villa. He is already answering the first question about what repercussion the situation in Bosnia-Hercegovina might have for the arrival of the blue helmuts.

[Tudjman] ...that the war does not happen, or at least not to the extent to which some would want to resolve the situation with arms and not by political means. I think this could not have a decisive influence on the situation in Croatia, but it will certainly have some influence.

As far as your question of whether this could have repercussions for the arrival of the United Nations peacekeeping forces is concerned, it seems to me that international factors which decided to send peacekeeping forces, had in mind a possible escalation of the crisis in Bosnia-Hercegovina and that they counted on complications. This could be seen, in their decision to station their headquarters in Sarajevo. So, it is to be expected that the escalation of the crisis might speed up the arrival of the peacekeeping forces' command and forces themselves, and even lead to a decision to raise the number of peacekeepers on the soil of Bosnia-Hercegovina. [passage omitted]

[HINA Correspondent] Since many legal regulations, that is, war regulations, have been adopted lately, tell us until when they will be in force. The second question, tell me why the mobilization, I mean demobilization, of 20,000 Croatian soldiers was ordered.

[Tudjman] As far as regulations are concerned, it was understandable that under the war circumstances, and in such war circumstances that Croatia was in, there was a need to take some legal steps which would ensure the functioning of the state in the war. In connection with this and because rumors were circulating in the media and on the political scene that the republic president made those decisions, it ought to be said here that no regulation was adopted at my initiative but at the initiative and proposal of the government. The government of democratic unity, as you know, includes people from main opposition parties and not just from the HDZ [Croatian Democratic Community].

The government also adopted some regulations within its powers, because it deemed them necessary for governing the country during the war. As far as I know, these regulations were by and large not enforced. Bearing in mind this fact, and bearing in mind that Croatia has largely come out of the war, I sent a letter to the prime minister saying that I thought it necessary that the government consider the withdrawal, that is the abolition, all those decisions which we made under the war circumstances. I believe that the government will consider and adopt proposals to rescind all or a large number of those regulations.

As far as the second question is concerned, I decided that 20,000 members of the Croatian Army would be demobilized and the government considered which categories should be released. We made this decision for two reasons. On the one hand, we hold that—because war operations, which we had had for one-and-one-half years and specifically since the middle of last year until recently, ended—there is no need for a large army, which we were forced to create.

On the other hand, there is a lack of skilled workforce and experts in the economy, in all spheres including the agriculture and industry, and in order to ease the economic situation and in order to invest energy into the reconstruction of the economy and into agricultural works, we made the decision to demobilize 20,000 people.

I must stress that this is only the first measure and that we shall soon start to demobilize even a larger number of soldiers, if the circumstances continue to develop in the direction desired by us, the European Community and the Security Council; that is, if conditions for the ending of the war and resolution of the crisis in the former Yugoslavia with the arrival of the peacekeeping forces are realized.

[VECERNJI LIST correspondent] I would like to ask three questions. One on foreign affairs: How do you assess the attitude of Washington towards Croatia and its independence? Second, will Croatia harmonize its law on minorities with the Hague draft, and if so when? Third, could you please clarify what you told VJESNIK about the spiritual rebirth of Croatia?

[Tudjman] Regarding your first question, it is clear that the United States, as the main world power, plays one of the most important role in the denouement of the Yugoslav crisis. Proceeding from its own strategic assessments, as you know, the United States insisted on the preservation of the integrity of Yugoslavia for a long time. At the beginning, the United States did not accept our proposal to resolve the Yugoslav crisis through a transformation of the Yugoslav Federation, which was destroyed with everything that happened in Serbia, i.e. the abolition of autonomy for the provinces etc. Other republics were dissatisfied with the federation.

We proposed together with Slovenes the creation of an alliance of sovereign states. This proposal was first met with skepticism in the West, including the United States, because they saw it in terms of its confederation and civil war, etc. Later, the West accepted the proposal, but since Serbia rejected the proposal, and since the Yugoslav communist army was thinking of toppling the democratic government in Croatia, and later the goals of the

Yugoslav communist army and the Serbian imperial policy merged. [sentence as heard]

When this was foiled, when we proclaimed independence and sovereignty after the referendum, the world realized that our efforts to find a democratic solutions were in vain, and it took our side, and we—as well as Slovenia—were recognized. The United States was saying then that they would respect any EC decision. We expect they will do that.

The United States still had a justification for their policy, that they wanted a comprehensive political solution which would satisfy everyone in the former Yugoslavia, which should be respected. Likewise, we expect that the United States will draw conclusions from what has happened on the soil of the former Yugoslav, and from the fact that Croatia was recognized by not just all EC countries but many non-European countries. We expect that the United States—from the standpoint of the main world power and from the standpoint of the United Nations—will soon recognize Croatia, which means the end of the process of finding a solution. [as heard]

Clearly, the current escalation of the situation in Bosnia-Hercegovina and even in Macedonia is complicating relations, and that this makes inevitable new conclusions and solutions for the policy conducted by the United States.

As regards the law on minorities, we have already passed laws on citizens' rights and on the rights of ethnic communities and national minorities, although no one else has passed it. Our law is such that in the framework of the EC they had to come to the conclusion that Croatia has fulfilled all the conditions for its international recognition, irrespective of the fact that some members of the Badenter Commission objected by saying that our law did not include all their recommendations. Still, it is a fact that they had to admit that no such law was passed by anyone else on the territory of Yugoslavia, and that it is rare in Europe.

As regards their objections, we told them that we will consider them within the framework of the regular procedure in the Croatian Parliament, but that we also expect all other states that are emerging on the territory of Yugoslavia to regulate these issues. We also told them that, because of the Croatian people in other republics, and in line with our principles, we had reasons to demand reciprocity, to demand that these questions are solved on an equal footing, as envisaged by the United Nations and the EC, and that the rights of the citizens and ethnic communities and national minorities are guaranteed. In other words, with the passing of the constitutional law we fulfilled our obligations.

We are still considering some issues but we expect all other states to respect them on the basis of common principles and reciprocity. [passage omitted: Tudjman replies to question on the spiritual rebirth of Croatia]

[Tere] Janez Tere from Slovene television. Mr. President, when will Croatia recognize Bosnia-Hercegovina, and will the recent unrest there influence your decision? Will you wait for the situation in Bosnia-Hercegovina to calm down?

[Tudjman] Of course we will wait to see what happens on the territory of Bosnia-Hercegovina. Up until this referendum Bosnia-Hercegovina did not even raise the issue of its recognition. Furthermore, even very responsible persons from the socio-political life of Bosnia-Hercegovina, as we were told by European and world politicians, spoke against the recognition of Slovenia and Croatia. Accordingly, once the referendum results have been announced and standpoints have been taken by the government of Bosnia-Herecgovina, the European and world community, we are also going to decide accordingly. We will support the recognition of a sovereign Bosnia-Hercegovina if the events take such a course, so as to ensure peace and a political solution, as I said, throughout Yugoslavia.

[Lekics] Lekic from ASSOCIATED PRESS. Mr. President, could you tell us if these new events in Bosnia-Hercegovina will influence the conference in Brussels, and how the Croatian Democratic Community [HDZ] of Bosnia-Hercegovina will react to the events in Sarajevo?

[Tudjman] The present crisis and the intensifying of the crisis in Bosnia-Hercegovina should in effect speed up the conference on the solution of the Yugoslav crisis. On the other hand I am not quite sure that this will happen. I am not sure either if 9 March is an appropriate date for the session in Brussels in view of all that has been said, written, and speculated about what could happen in Serbia and other regions.

In any case we are for accelerating of the Conference in Brussels because we want the talks on the succession to Yugoslavia to end as soon as possible. The division of the assets should be carried out, and the denomination [denominacija] of Yugoslavia, which no longer exists, should be solved, not only for international and diplomatic reasons but most of all for economic reasons. All the states emerging on the territory of Yugoslavia are in a situation whereby they will have to join the international institutions—financial and others. This in any case should be done in order to insure air, sea, and land transport, etc. In other words, it is not only Croatia, Slovenia, and others, but also the international community too who want the conference on Yugoslavia to be completed as soon as possible. For our part we will do everything possible to make ... make specific proposals on resolving these questions.

Oh yes, well, you know that the HDZ, as the leading force of the Croatian people in Bosnia-Hercegovina, has decided in favoR of the referendum. In the same way that we advocated negotiations throughout Yugoslavia, so we now support negotiations on the territory of Bosnia-Hercegovina. We favor talks between all three factors, that means we equally support talks between

Croatians and the Muslims, Croatians and Serbians, and vice-versa. This means that the solutions should be found through political dialogue, in a democratic way, so that the tensions and the bloodshed such as we have been witnessing recently, in particular since yesterday and last night, could be avoided.

According we will, as the Republic of Croatia, and through our influence on the Croatian part of the population of Bosnia- Hercegovina, aim for a solution reached through direct negotiations among the three nations, which will be acceptable to all, and to the international community, of course. [passage omitted: question and answer about the rights of Croatian minority in Austria: pledges to look after Croatian minorities in other countries]

'Chetniks' Reportedly Burn Village in Glina

LD0303143592 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 3 Mar 92

[Text] Marko Sremic, Croatian government commissioner for the Glina municipality, announced that after midnight last night that Chetniks and members of several occupying army units burned down most of the business and residential buildings in the village of Dvoriste in the northwest of Glina municipality, a village inhabited exclusively by Croats before the occupation of 1 October. Over the last few days the enemy has burned down and destroyed the majority of the 37 settlements in Glina municipality, in which 8,049 Croats lived before the occupation.

Seven hundred and fifty Croats remain under the control of the occupying authorities in the Glina region. They are mostly weak and ill old people who were imprisoned by the occupying authorities in a camp in Glina and in other similar camps in Jukinac, Klasnic, and Bijele Vode. Imprisoned Croats are exposed to the inhuman violence of the occupying units; they are not allowed to move about without identity cards, and are obliged to wear white bands on their sleeves. Every day, the Chetnik gangs come to the locations where the Croats are kept and take individuals away for interrogation from where they never come back. Their fate is not known to us because the enemy does not allow the European monitors nor the members of the International Red Cross to visit them in the prison camps.

Croatian 'Terrorists' Raid Village in Krajina

LD0303142292 Belgrade TANJUG in English 1334 GMT 3 Mar 92

[Text] Knin, March 3 (TANJUG)—A number of inhabitants of the Serbian village of Noskalik (Republic of Serb Krajina), which is situated between the rivers of Krka and Cikola, were wounded and arrested Monday night after a group of Croatian saboteurs and terrorists raided the village, the command of the Yugoslav People's Army (JNA) Knin Corps said in a statement Tuesday.

The group set fire to a number of houses and destroyed private property, the army announced. It is learned from reliable sources that the terrorists captured and took away some 20 villagers, the statement said.

A strong protest was lodged to the Croatian authorities via the U.N. liason officers and E.C. observers for the violation of the ceasefire and the Sarajevo accord. The statement also sets out that army medical teams came under fire from the Croatian side while aiding the wounded villagers, although they carried visible insignia. The Knin Corps units have taken measures to deblock and liberate the village and ensure the return of the population, the army said.

Attackers Kidnap Serb Villagers

LD0403072592 Belgrade TANJUG in English 0455 GMT 4 Mar 92

[Text] Sarajevo, March 4 (TANJUG)—A large subversive-terrorist group of the Croatian Army attacked the Serb village of Noskalik in the central Dalmatian hinterland on Monday night and abducted some 20 villagers, looted their homes and burned their property and houses to the ground, Yugoslav People's Army (JNA) representatives reported yesterday. A statement by the information service of the command of the second military district of the JNA said that several villagers were wounded in the attack on the village, and that one corporal and one lieutenant of the JNA were killed in the clash with the attackers.

Croatian forces fired at JNA medical teams which attended to the wounded even though they were clearly marked with the Red Cross sign, said the statement. After the army protested over the hot line, the Croatian side agreed to withdraw from the village. The JNA, however, demands that European Community (E.C.) observers visit the site of the incident and that the seized villagers be released. Nothing is known about the fate of the villagers.

Further on Abduction

LD0303122392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1117 GMT 3 Mar 92

[Excerpts] Knin, 3 Mar (TANJUG)—A commando group belonging to the Croatian armed formations assailed the Serbian-populated village of Nos Kalik [25 km north of Sibenik] last night. This was revealed in a statement issued today by the information service of the Knin Corps. The statement says that on this occasion "they arrested and captured villagers, destroyed and burned their houses. Several villagers were injured and wounded."

"We have learned from unofficial, but reliable sources," the statement goes on to add, "that members of the commando group abducted about 20 villagers." [passage omitted]

The statement also says that Croatian military formations opened fire on clearly marked vehicles of the military ambulance service, which helped the wounded villagers. A sharp protest was lodged—via United Nations liaison officers and European Community observers—with Croatian bodies over the latest cease-fire violation and the breach of the Sarajevo accord.

'New' Serbian Krajina Government Holds Session

LD0303185992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1759 GMT 3 Mar 92

[Text] Erdut, 3 March (TANJUG)—At the first session of the government of the Serbian region of Slavonija, Baranja, and Western Srem since the formation of the new government of the Republic of Serbian Krajina, Dr Mladen Hadzic was elected as the region's acting premier. Until now he has been the vice premier. The session was held in Erdut. TANJUG has been told by Rade Leskovac, deputy information minister, that Dr Hadzic will discharge this office until the next session of the Serbian regional Grand National Assembly [Velika Narodna Skupstina] which is expected to be held in Beli Manastir in a fortnight.

Reference was made during the government session to the development, organization, and transformation of ownership structure in the region's agricultural sector. The assessment was made during the government session that this change would be a prerequisite for attaining better results in agriculture.

Concern Expressed on EC, U.S.'Overall Solution'

92BA0565B Zagreb VJESNIK in Serbo-Croatian 19 Feb 92 p 5

[Commentary by Stjepo Martinovic: "'Bogeyman' of Overall Solution"]

[Text] With the imminent arrival of the UN blue helmets in the "crisis areas" in Croatia, and thus onto the scene of the so-called Yugoslav crisis, will the process of its unraveling be "ideologically" returned to the point where it was before the war, and even before the 1990 elections? The probable answer is yes. Because what the participants in the quest for a way out of the aforementioned entropy, and especially foreign participants (who, objectively speaking, also hold the key to the problem), still want is the already notorious "overall solution." Without winners and losers, without injured parties and those who will profit from the loss of others.... Without leaving behind any live coals that future, negative winds could stir into a new Balkan conflagration, and even without persons who in other countries are considered incapable of breathing prudently in an atmosphere of too much history per square foot!

Returning again to the "overall solution"—which has in fact always been present here somewhere—we should point out two issues to all concerned parties: Who fostered the illusion, and why, that the razed "architecture" of the former Yugoslavia could be plowed under, dissipated, or reconstructed against the will of European and other "watchdogs," and who believed that war could be used (with impunity) to achieve that end? This subject should be addressed not only by those in Belgrade who resorted to demonization, terror, and aggression against Croatia—thus blocking any solution without bloodshed—but also by the side that effectively encouraged them to take that step through belated and careless intervention. And in this way gave notice to everyone who rejected Serboslavia that they have no other choice than to "secede."

This is why today, when we return to the "overall solution" imperative, it is clearly impossible to ignore the price that Croatia has paid for the West's inability to subdue the protagonistic blow against Croatia—to which "secession" was the legitimate and only possible response. As was the defensive war, and the severing of all political ties with all former Yugoslav republics, given the fact that Greater Serbian artifice crushed both the confederation proposal and the one concerning a local version of the CIS [Commonwealth of Independent States], and the two-plus-two-plus-two formula....

Thus, even today it is not too late to talk about an "overall solution" in terms of recognizing the international subjectivity of all former Yugoslav republics, their mutual recognition, the establishment of a regional security arrangement and of a system for the free flow of goods, people, and ideas.... But it is unquestionably futile as well as unpalatable to speak of any sort of solution that would reek of Belgrade's prewar role in this region. This is also true of the bizarre insistence by certain powerful factors that the "international subjectivity and continuity of Yugoslavia and the legitimacy of the federal government" be maintained, which is in the possession of the illegitimate remnants of the former federal institutions (!?)

No one in the territory where the SFRY used to exist, and especially not Croatia, deserves to shoulder the consequences of mistakes made by EC Europe and the United States in identifying the essence of the "Yugoslav crisis." No one should fall victim to the fact that the West did not intervene when it should have and in the manner that it should have—meaning "last summer, by sending in 10,000 blue helmets," as Belgian Minister for Foreign Affairs Mark Eyskens laments now. Croatia has undoubtedly paid for the West's education, which has produced the concept of preventative diplomacy. Therefore, it is clearly not right for Croatia to end up worse off—especially since the Croatian "media public" informed Brussels and Washington, especially after the establishment of a multiparty system here, about what was brewing behind the notorious Eighth Session.

Of course, Croatia has no objections in principle to an "overall solution." In fact, it was for the sake of this that it agreed to the unconditional deployment of the blue helmets, in order to establish a lasting peace and a

general climate for resolving the crisis through negotiations. Including the ones in Brussels, although Lord Carrington somehow will have to explain to his mentors (and, it appears, to himself) that before recognition, even the kind present today, Croatia cannot be an equal participant in the negotiations there. Or more precisely: Croatia, with good reason, is still interested only in a definitive end to the war and orderly inheritance proceedings. Anything else, regardless of the fact that the issue of the human rights of minority communities cannot be relegated to the seedy category of meddling in internal affairs, is nevertheless a matter of Croatian legislative solutions and practice. The instigators of an "overall solution" will simply have to get used to Croatia as a sovereign and internationally recognized state—and bear in mind that belittling and humiliating it, as well as ignoring Serbia's "credit" for the collapse of Yugoslavia, is in the worst possible way unacceptable politically, not to mention ethnically. But Croatia will have to reconcile itself with this sort of "overall solution," with which it will clearly not be entirely pleased.

Croat 'Idealism', World 'Pragmatism' Conflict

92BA0566C Zagreb VECERNJI LIST in Serbo-Croatian 22 Feb 92 p 12

[Article by Milan Jajcinovic: "Farewell to the Balkans"]

[Text] When about a year and a half ago NIN of Belgrade came out with one of its title pages recognizable for its graphics, it was interpreted in Croatia as yet another piece of Serbian malice. The title page consisted of three pictures. The first was a graphic representation of post-AVNOJ [Antifascist Council for the National Liberation of Yugoslavia] Croatia, on the second its "pretzel shape" eaten away, with the "Serbian Krajinas" bitten off, and the third was empty with a large question mark. The caption said: Yesterday, Today, Tomorrow. Regardless of the maliciousness we have mentioned, many people in Croatia today do in fact say that a great question mark hangs over the Croatian tomorrow. Are they right or not?

The war has thoroughly altered Croatia. The arrival of the UN army in what until recently were war zones could bring additional change to more than Croatia's political relief. Will it remain what it has been, or will it become what it once was long ago, in Turkish times—reliquiae reliquiarum? It is over this question that the greatest mental energy is being lost in Croatia in the recent past. There is also quite a bit of mistrust about the arrival of the peacekeeping forces, an unconcealed suspicion that they are coming to cement in place the status quo, which then would ultimately mean that Croatia would be left not only without the Knin "area painted in mist," but also without its other areas proclaimed to be Serb. Although this malice on the part of Knin is proving to be relevant.

Because it was brutally and so obviously attacked, Croatia believed that the world must also be on its side. That is why it requested intervention in Croatia. For a long time, they worked on its political bigwigs to consent to that. Finally, they consented, but they did not remove all doubts about the whole arrangement. Croatian idealism thus came into painful conflict with world political pragmatism. When the well-known Vance Plan and Ghali report became fully known, the disappointment of many people was an inevitable consequence of the traditional pattern of Croatian political consciousness, which as a rule starts with the principle of justice and fairness, not with interest. The thinking went approximately like this—if we are right, and we are, then there are no obstacles to prevent them from helping us to exercise our just rights. But because politics and justice are not the same thing, a certain suspicion and suspiciousness have quite naturally emerged as a consequence of the announcement that the UN troops are coming.

Croatian belief in European democratic principles and standards is by now traditional. Miroslav Krleza long ago spoke bitterly about that inextinguishable—often self-deluding—belief when in the difficult time of Karadjordjevic he wrote that "the Croats for centuries have been watching history take their roast meat off the spit time after time." According to the old bard, "the Croats have never ever picked a winning ticket in the international lottery," while the Croatian faith "in Europe, in the World, in Wilson, in Geneva, in London, in Ethics, in Memorandums, in Agreements, in Protocols, in Deals, and in Plebiscites" was almost without peer in the Europe of that time. That faith is not extinguished even today. Only the names have changed there, and so instead of Geneva, people talk about Brussels or The Hague, Wilson has been replaced by Carrington or Vance, and the letters and epistles have been brought up-to-date.... Everything has remained more or less the same.

Authority on Ice

There are many people in Croatia dissatisfied with the way in which the peacekeeping forces intend to commit themselves. This especially applies to the powers of the Croatian authority in the crisis areas. Because that authority has been on ice there for who knows how long now (the United Nations speaks of at least a year), there are fears in Croatia that this is actually the beginning of their definitive detachment from it. The alternative to the arrival of the blue helmets would be resumption of the war. Remaining faithful to its political postulates about the necessity of the aid of the "democratic world," the Croatian Supreme Command preferred waiting for that aid to the military option. It could not be said that this suited everyone. That is, there are those who think otherwise—that what is taken by war can only be restored by war. The government pushed away that possibility to be held in reserve as an alternative.

Those who favor the military alternative premise their argument upon the simple calculation that only driving out the anti-Croatian military formations once and for

all guarantees the possibility of solving the most important Croatian problem—the return of those who were driven out. But that choice contains at least two risks. The first is certainly of a military nature. Regardless of the growth and overall strengthening of the Croatian army, there still remains uncertainty, if not concerning victory, then at least concerning the time it would take to achieve it. Also involved here is certainly the greatest risk, which has to do with human lives. The question, that is, is how many more people would have to die for the victory?

There is also another risk, one that would come after victory and is related to pacification of the crisis areas. Not to apply successfully the model successfully used by Maria Theresa and Franz Jozef, and which could be summed up as a combination of "constructive bribery" and repression, and to decide on repression alone, could have the consequence of Croatia being charged with "violation of human rights" before international political institutions. Ultimately, that would mean political and economic isolation.

The Possibility of a Plebiscite

The choice in favor of the arrival of UN troops also was not without elements that are unclear and uncertain, and there certainly are risks as well. It is a fact that they are coming in order to execute the peace plan in operational terms, which objectively is less than what Croatia expected. Much is unclear about this, and there are a number of open questions. First of all, there is the open question of the future political system of the territory where the soldiers of the joint forces are going. Is it going to be Croatian or not? The possibility of a referendum should not be excluded from the decisionmaking on that. It is that that could be a trap for Croatia. But also for the other side. That is, if a plebiscite were held now in the "krajinas" from which the Croats have been driven, it is quite certain that very few krajina people would decide to vote in favor of remaining within Croatia. But the time the UN troops spend in the crisis areas could also be on the Croatian side. How?

If the UN troops protect the Croats so that they can return to their homes, and the Croatian state conducts a well-thought-out (economic) policy, it is possible that the thinking of the people in the krajina could change. Because of the fresh "bruises on the soul" of the Croats, such a policy will be extremely difficult to conduct. But if Croatia should not invest in Knin, Gracac, Vrginmost, etc., it will only evoke still greater aversion. At the same time, by such an action it would exclude itself from those territories once and for all. It would actually in that way acknowledge that it does not even consider the "krajinas" a part of Croatia. The present Serbia is actually counting on that possibility. It is probably in that context that we should look at the emergence of the conception of a "strong and exemplary Serbia" which, it is assumed, would be attractive to all the Serbs outside Serbia proper. When the UN troops leave, it is assumed that there will have to be a plebiscite and that the Serbs will unconditionally and definitively turn to Serbia.

Knin as the Key

In the coming period, Croatia will be in an extremely delicate position. Because the Vance Plan is indefinite (intentionally), it will not be able to function over its entire internationally recognized territory. Thus, for that reason it will have a problem because of necessary objective implementation of the UN plan and because of enormous psychological barriers created by the fact that the war against Croatia was begun precisely by the Croatian Serbs. The reaction of the Croatian people that the same democratic treatment should be applied to both Serbs and Croats is logical. The people of Croatia remain astonished, to say the least, asking themselves "how it is possible to forgive the Chetniks"? When we add to this the quite certain dirty work done by the current Serbian authorities—which will undoubtedly be done—whereby they will constantly try to hold on to their present political trans-Krajina people, then Croatia will have a very difficult and painful time establishing its authority where it is entitled to do so even in accordance with international usages.

The time to come will be a test of both Croatian patience and also its democratic spirit. Perhaps still more of its potential for development, of what can once and for all be detached from the all-embracing Balkanism. The possibility of Croatian self-emancipation is perhaps the key to a solution of the problem that can metaphorically be termed "Knin," and quite certainly also an occasion (the last one) for a final "departure" from the Balkans.

Vinkovci Crisis Command President Interviewed

92BA0565C Zagreb VECERNJI LIST in Serbo-Croatian 22 Feb 92 p 5

[Interview with Ivan Treber, president of the Vinkovci Crisis Command, by D. Veselcic; place and date not given: "Reconstruction of Destroyed City"—first paragraph is VECERNJI LIST introduction]

[Text] According to the plan for deployment of the "blue helmets," parts of Vinkovci opstina should receive around 1,500 UN soldiers, who would be headquartered in Vinkovci, while Vukovar and Zupanja opstinas would be part of their domain. In addition, around 100 policemen should arrive.

Vinkovci—Vinkovci opstina has been at a state of war ever since 2 May, but especially since 19 July of last year. The entire time, the enemy has destroyed and killed in a bestial manner, while an uneasy peace emerged only after the latest cease-fire agreement. Only now is it possible to analyze the events of the recent period and to begin thinking about rebuilding the destroyed city. Parallel with the escalation of conflict, numerous military groups were formed in the city, but the Crisis Command also emerged, which was primarily in charge of directing

activities in connection with civilian life in the city. Ivan Treber, the president of the Vinkovci Crisis Command, has carefully documented all the events there.

[Treber] Since 2 May, since the tragic events in Borovo Selo, and then during the fighting in Mirkovci, the fierce attacks on the city from barracks and the final escalation of conflict through enemy attacks on numerous villages in Vinkovci opstina, this area has experienced a great deal of suffering. The whole time, however, the city has lived on, even though it was the target of the first air assault in Croatia, the first mortar shells in Croatia in fact fell on Vinkovci, and all of this says a lot about the conditions under which people in this region have lived. The Crisis Command, which was already set up at the end of July—before the government decree—has tried to safeguard to an ever-increasing extent the lives of the people who have not fled as refugees. Even today, we are encountering real problems as a large number of citizens are returning to the city.

[Veselcic] During the several months of the war, Vinkovci was practically deprived of half of its opstina.

[Treber] According to the latest data, 51 percent of our opstina is under occupation. That area comprised 26 localities with a population of 28,000, and based on ethnic composition it was 57.3 percent Croat, 30.7 percent Serb, and 4.8 percent Hungarian, while the rest were members of other nations. This is the best proof that the "defense of threatened Serbdom" as the aggressor's reason for the war is a plain lie. In many localities (Lipovac, Podgradje, Apsevci, Nijemci), there were only 10 or so Serbs living there, and now all those towns are occupied.

Refugees Are Greatest Problem

[Treber] At present, the Croatian army controls only the city and 13 localities, of which Komletinci, Privlaka, Otok, Jarmina, Nustar, and Vinkovci itself are practically on the front lines. In addition, the enemy has occupied 53.7 percent of the cultivable farmland, 49.3 percent of the woodlands, and all the sources of petroleum that were located in our opstina. It is not hard to conclude from this what the situation is like in Vinkovci opstina.

According to our initial estimates, direct damage amounts to 1.8 billion German marks [DM], while the amount of indirect damage is still hard to estimate. It suffices to know that one idle day by Vinkovci enterprises means a loss of DM1.5 million, so that only two idle months amount to DM300 million. Aside from this, we have a housing shortage of 17,000 units, a third of the motor pool at enterprises has been destroyed, and a greater part of the infrastructure no longer exists, but it appears that the biggest problem is the large number of refugees. In cooperation with the Vinkovci Red Cross, we have gathered some data and arrived at shocking figures: At present, we have around 8,000 refugees in villages that were not directly touched by war; 6,000 have resettled in Zupanja, 4,500 in Djakovo, 5,000 in Hungary, and at least another 10,000 refugees have resettled in other parts of Croatia.

[Veselcic] How does the Crisis Command plan to solve the problem of refugees returning?

[Treber] First of all, we must create conditions for the return of the refugees; the first thing that must be done is to establish a lasting peace. Since these conditions are still not in place but a large number of people are already returning, we are currently trying to find some sort of lodgings for them. This is a major problem, because there are plenty of children, old people, and women returning here as well, and thus people who are not fit to work but who have to live somewhere. We have a plan for accommodating people who are fit to work and want to return. For example, school buildings can serve as shelters for these people, who, after the arrival of the blue helmets, will be able to go to their villages by day and work there, and then spend the night at the schools. For this, we need 10,000 beds and we have already asked the Ministry of Reconstruction to secure them for us.

Zupanija Seat in Vinkovci

[Veselcic] How has Vinkovci opstina been financed thus far?

[Treber] Primarily through money from the republic and through donations of money. We have spent the majority of that money on maintaining the water and electricity supply systems. We are expected a greater influx of money now.

Vinkovci has also received a fair amount of humanitarian aid. The largest amount has been sent from our workers abroad, primarily the ones in Germany. Vinkovci has received more than 100 vehicles and large quantities of food and medicine, which has had a considerable effect on maintaining life in the city. The cities of Graz, Vienna, Maribor, and Zagreb have distinguished themselves in this regard.

[Veselcic] According to the draft Law on Zupanijas, the seat of the zupanija for this region will be in Vukovar. This is not in keeping with the ideas of the people of Vinkovci.

[Treber] We believed that Vinkovci would be awarded the zupanija because we are the commercial center of this area. Still, the proposal that the zupanija seat be in Vukovar is a political solution. We discussed this at the last session of the Opstina Assembly, and I feel that we provided the best proposal: that Vinkovci be the seat of the zupanija, because we all know how much destruction Vukovar suffered, and that heroic Vukovar be accorded special status, something similar to that accorded the German city of Nuremberg after the Second World War.

[Veselcic] It appears that the arrival of UN peacekeeping forces is already a done deal. What does Vinkovci expect in this regard?

[Treber] According to the plan for deployment of the "blue helmets," parts of Vinkovci opstina should receive around 1,500 UN soldiers, and thus one battalion, which would be headquartered in Vinkovci, while Vukovar and Zupanja opstinas would be part of its domain. In addition, around 100 policemen should arrive. We feel that the peacekeeping forces can contribute to the establishment of peace, but it must be known that they cannot remain here for long.

Montenegro

Six 'Politically Incorrect' Journalists Dismissed

AU0403090492 Sarajevo OSLOBODJENJE in Serbo-Croatian 20 Feb 92 p 2

[S.R. report: "Dismissal for Six 'Politically Incorrect' People"]

[Text] Titograd, 19 Feb—The fear that the authorities in Montenegro would completely carry out its purge among "politically incorrect" journalists has unfortunately come true. Thus, we have learned that the Disciplinary Commission of Montenegro Radio and Television has recently made the decision to dismiss the following journalists: Rajko Cerovic (former chief television editor); Danilo Burzan (former chief radio editor); Branko Vojicic, Esad Kocan, and Ljubo Djurkovic (all television editors), and Miodrag Vukmanovic (radio correspondent from Belgrade). Let us recall that these journalists were suspended from their posts in the fall, supposedly for collaborating with the independent weekly MONITOR, which is a thorn in the side of the Montenegrin Government, and this action has now been completed with their permanent dismissal. For all the months that they have been suspended they have been given no work tasks and they have been receiving only one half of their base pay. Miodrag Vukmanovic, who is generally considered to be one of the best Montenegrin journalists, was forbidden even to enter the Belgrade Radio building, where the offices of Montenegro Radio are, and he was not even allowed to get his personal belongings from his desk.

The news about the dismissal of the six journalists has not yet been reported by any of the Montenegrin regime newspapers (and probably will not be), but it has already met with great indignation among the public here. Thus, the professional association of (independent) journalists is preparing a sharp protest because of the dismissal of its members, and opposition parties, various non- party associations, and movements will definitely react.

Otherwise, several hundred people in Montenegro have been dismissed or replaced from senior posts with the application of the odious (and almost forgotten) principle of political correctness. It is interesting to stress that those journalists who collaborate with POBJEDA, Belgrade Television, or other "correct" Montenegrin and Belgrade media have not been dismissed from Montenegro Radio and Television!

Serbia

Jovic Rejects EC Recognition of Bosnia

AU0303214492 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 3 Mar 92

[Report by Slavica Raketic on address by Borisav Jovic, president of the Socialist Party of Serbia, to Young Socialists of Serbia, in Belgrade on 3 March—recorded]

[Text] In his capacity as president of the Socialist Party of Serbia, Dr. Borisav Jovic addressed Young Socialists in Belgrade today on the current social and political events in our country. He also mentioned the upcoming opposition rally next Monday.

[Raketic] In talks with representatives of the communal committee of the Young Socialists in Serbia, Borisav Jovic, president of the Socialist Party of Serbia, reviewed the current political situation. Since the beginning of the Yugoslav crisis, Serbia has advocated a peaceful separation, consistently defending the vital interests of the Serbian people without threatening the rights of others. Slovenia and Croatia are responsible for the violent breakup of Yugoslavia, and were greatly assisted by some European countries, particularly Germany. In this context, he interpreted the EC position that Bosnia-Hercegovina should be independent, which he said means a call to bloodshed.

Jovic said that Serbia does not demand that the Serbian people in other republics secede, but it insists that their right to decide for themselves where they will live be respected. Jovic explained the reasons for Serbia's persistent commitment to the preservation of Yugoslavia:

[begin Jovic recording] We have recognition as a recognized country in the United Nations, IMF, World Bank, CSCE, and in all international institutions. We have all the rights of every other country, for which tomorrow we would have to go begging to a Europe which is harassing us now and to others which have their own interests here. This is if we do not secure our own continuity but rather go down on our knees and ask them to recognize us again. They would ask us to give the Albanians here in Yugoslavia not autonomy but a republic. They would also ask this for the Hungarians and Muslims. They would perhaps ask this for the Bulgarians too. Therefore, they want [Jovic changes thought] they would take advantage of this situation to ensure that Serbia or Yugoslavia—if we construct it again from the beginning—once again applies to be recognized by someone, in order to finish us off and to fulfill their interests to such an extent that they would totally prevent us from living normally.

Therefore, we do not care about maintaining Yugoslavia because we are in love with the former Yugoslavia—we know that it does not exist—but because this is our profound interest, and we do not want anything that belongs to others. We will give to the republics that have seceded everything that belongs to them. [end recording]

[Raketic] The president of the Socialist Party said that the main problem of the Serbian opposition is in the fact that the national interest is not at the forefront of their agenda, therefore preventing the opposition from winning power by democratic means. Faced with what Jovic called pressure from bosses abroad, the opposition is organizing a destructive meeting, attempting to forcefully take power, like 9 March last year. He warned that any violence will be responded to with force.

Serbian Renewal Says Bosnian War 'Inevitable'

AU0203205492 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 2 Mar 92

[Report by Radovan Pantovic on the news conference held by Serbian National Renewal in Belgrade; date not given—recorded]

[Text] The Serbian National Renewal [SPO] expects what happened in Croatia to happen in Bosnia-Hercegovina as well. Here is Radovan Pantovic reporting on the party news conference.

[Pantovic] Mirko Jovic, leader of the Serbian National Renewal, believes that the latest events in Sarajevo have confirmed that the war in Bosnia-Hercegovina is inevitable. He expects Bosnia-Hercegovina to be recognized soon as sovereign and, as he put it, he is surprised by the defensive policy of the Serbian Democratic Party. He pointed out that the policy of merely waiting for things to happen is not good and may bring the Serbian people into an even more difficult situation.

[Begin Jovic recording] It is fully clear that at the moment when the EC recognizes Bosnia-Hercegovina as it did with Croatia, an attempt to establish sovereignty by force will ensue, this Bosnian sovereignty on the territories of Romania, eastern Hercegovina, and Bosnian Krajina, and a conflict will be truly inevitable.[end recording]

[Pantovic] The head of the Serbian National Renewal sees the solution in forming a Serbian Krajina defensive force.

Jovic sees the outcome of the Montenegrin referendum as proof that Montenegro is still Serbian and that it will not betray the Serbs. He believes that Krajina has been given over to the Croats and he thinks that, as he put it, the continuation of physical and political violence over the leadership of Serbian Krajina proves this.

The Serbian National Renewal has accepted the Democratic Party's appeal and is going to help collect signatures in support of convening a constitutional assembly and replacing the president of the republic. The decision on possible participation in the 9 March demonstrations has still not been made although the Serbian National Renewal agrees with the organizers' demands, but no official invitation has been received.

Croatian Delegation 'Unexpectedly' Arrives

LD0503093792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1331 GMT 3 Feb 92

[Text] Belgrade, 3 Mar (TANJUG)—A delegation from the Croatian Assembly, which unexpectedly found itself in Belgrade, had short courtesy talks today with Borivoje Petrovic, vice president of the Serbian Assembly, and Milos Brajovic, chairman of the Legislative Committee. This was reported by the Serbian Assembly's information service. A statement that was issued immediately after the talks stresses that the Croatian Assembly delegation arrived here from Sarajevo where it had monitored the referendum.

[Zagreb Radio Croatia Network in Serbo-Croatian at 1400 GMT on 3 February in a similar report states: "At 1315 GMT, a 13-member Croatian Assembly delegation left Belgrade for Zagreb in accordance with an agreement reached between the governments of Croatia, Bosnia-Hercegovina, and Serbia, and is being escorted—guarded—by members of the Ministries of Internal Affairs of the three republics."]

Sent to Belgrade by Border Police

AU0303155292 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 3 Mar 92

[Text] A Croatian Assembly delegation, which arrived in Belgrade suddenly and unexpectedly, held brief courtesy talks with Dr. Borivoje Petrovic, vice-president of the Serbian Assembly, and Milos Brajovic, president of the Legislative Committee. A statement from the Serbian Assembly Information Service says the delegation arrived in Belgrade from Sarajevo, where it had monitored the referendum. Our correspondent Nino Kosutic, however, reported that the delegation was traveling from Sarajevo to Subotica and the Hungarian border, but was returned to Belgrade by the border authorities because the delegation members did not have the proper documents. It was, therefore, a coincidence that a group of Croatian politicians stayed for a visit to Serbia for the first time after the war in Croatia. It is also interesting to add that Croatian news agency HINA did not report this.

Military Cites Croatian Cease-Fire Violation

LD0303213692 Belgrade TANJUG Domestic Service in Serbo-Croatian 2012 GMT 3 Mar 92

[Text] Sarajevo, 3 Mar (TANJUG)—Despite the cease-fire agreement, as well as the NATO statement of 26 February this year which energetically requests all sides to respect the cease-fire agreement in order to facilitate the deployment of UN peacekeeping forces, the Croatian side is continuing to violate the cease-fire, says this evening's statement by the information department of the headquarters of the Second Military District.

The most blatant example of the violation of the cease-fire agreement took place yesterday when a strong terrorist-sabotage group of the Croatian Army crossed the

river Krka and infiltrated the village of Nos Kalik (near Sibenik, Croatia). This group arrested and abducted residents and set fire to houses last night and today.

In a clash with these groups one deserter was killed and one lieutenant was injured, the statement says.

After a protest and the use of the "hotline", the Croatian side agreed to withdraw from the village of Nos Kalik on condition that the Yugoslav Peoples' Army [JNA] would not open fire.

The JNA agreed to this with the demand that the EC observer mission come to the spot and that prisoners and injured members of the territorial defense and residents of the village of Nos Kalik be released. This brutal attack and the arrest of local people and the setting on fire of houses, indicates the extent to which the Croatian side is not interested in preserving peace and creating conditions for the arrival of the peace-keeping forces, concludes the statement of the information department of the Second Military District Headquarters.

Opposition Criticizes Security at Mar 9 Rally

LD0303152192 Belgrade TANJUG in English 2248 GMT 2 Mar 92

[Text] Belgrade, March 2 (TANJUG)—Parliament clubs of the Democratic Party (DS) and the Serbian Renewal Movement (SPO), the two biggest opposition parties in the Serbian parliament, on Monday accused the Serbian Interior Ministry of not carrying out its primary duty by refusing to provide security for the opposition rally in Belgrade on March 9.

In a letter to Serbian Premier Radoman Bozovic, the DS and SPO deputies recalled that following talks with the secretaries of the two parties on February [words indistinct] the Interior Ministry of Serbia had announced that "as long as weapons and other explosive devices are not put under control, it is impossible to implement effective measures of security and protection of citizens and property."

The DS and SPO deputies consider that "with its statement, the Serbian Interior Ministry is refusing to ensure the exercise of the constitutional freedoms of citizens which, under Article 1 of the law on internal affairs, is its primary duty."

Draskovic Expects Early Elections in October

AU0403100892 Vienna PROFIL in German 2 Mar 92 p 51

[Interview with Serbian opposition leader Vuk Draskovic by Rudolf Gruber in Belgrade; date not given: "Milosevic Must Go"]

[Text] [Gruber] What do you want to achieve with your mass rally scheduled to be held in the center of Belgrade on 9 March?

[Draskovic] We want to hold a peaceful rally to show Europe that there is another Serbia as well: a young, democratic, and modern Serbia.

[Gruber] It has been learned that you will not participate in the demonstration if Serbian President Slobodan Milosevic accepts your demands for new elections.

[Draskovic] Then there would indeed be no reason for a protest march. Yet, I believe that it will take place, and we will show the regime our strength. We will not use any violence and hope that the police will not repeat their mistakes of last year.

[Gruber] When do you expect new elections?

[Draskovic] Still this October or November.

[Gruber] Do you want to unseat Milosevic through demonstrations?

[Gruber] Our time has not come yet. The totalitarian regimes in Serbia and Croatia continue to bank on a policy of war. The UN Forces are now coming to bring peace. The democratic opposition in Serbia is not prepared to overthrow the regime through the use of force. Still, we will soon be strong enough to force the regime to resign.

[Gruber] How is this going to happen?

[Draskovic] Economically, Serbia is in a disastrous situation. The people will stand up and tell the president: That is enough, our patience is exhausted, you have to go. Peacefully, of course.

[Gruber] According to recent surveys your popularity has decreased. Why?

[Draskovic] My popularity has not vanished, it is because I simply do not exist for the mass media, which are still controlled by the communists; for them I am as good as dead. At the same time, the regime has blamed me for everything that is going wrong in Serbia.

[Gruber] How would you describe your relations with Dragoljub Micunovic's Democratic Party of Serbia?

[Draskovic] Our relations are very close. Of course, we do not always have the same opinion, but we are walking along the same road: We want to show Serbia the road to Europe.

[Gruber] Through the deployment of UN Forces Croatia will be able to recover from the war, while Serbia is now facing great problems: misery and economic chaos.

[Draskovic] When the regime resigns all problems can be solved. A democratic Serbia would be of advantage to everybody in Yugoslavia—apart from the Croats, whose primitive chauvinism would make it impossible even for a democratic Serbia to build up relations with Zagreb. Serbia will become democratic sooner than Croatia. The democratization of Croatia is more of a task for Germany and Austria.

[Gruber] Is there a danger of a state of emergency being imposed in Serbia?

[Draskovic] No, no, no! I have been against Milosevic's policies from the very beginning, but he has changed, because he must accept the new reality, particularly the UN plan and the blue berets. Milosevic knows that peace is the only alternative now.

[Gruber] Still, one year ago he moved the tanks into Belgrade against you.

[Draskovic] The war is over—and Milosevic knows it.

Slovenia

Presidency Condemns 'Use of Force' in Bosnia

LD0403001792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1557 GMT 3 Mar 92

[Text] Ljubljana, 3 Mar (TANJUG)—At today's session, the Presidency of the Republic of Slovenia expressed regret at the escalation of violence in Bosnia-Hercegovina and condemned the use of force. The Slovene Presidency assesses that yesterday's events in Sarajevo require that all the former Yugoslav republics renounce the use of force in establishing state, legal, and political relations on the territory of former Yugoslavia. A statement expresses expectations that at the Brussels conference, relations between the former Yugoslav republics will be resolved at the level of equal factors which are, on the basis of the democratically expressed will of people, independently deciding on their state and legal status.

Slovene President on No Confidence Vote

92BA0553A Ljubljana DNEVNIK in Slovene 21 Feb 92 p 4

[Article by (im): "President of the Presidency Milan Kucan: 'If We Are Dissatisfied With Democracy, We Have To Improve It!'"]

[Text] Ljubljana, 21 Feb—The course of events at Wednesday's joint session of the Slovene parliament, which was devoted to the issue of a constructive vote of no-confidence and to a vote on the independent deputies' candidate for prime minister, was also commented on that same evening by Milan Kucan, president of the Slovene Presidency, in a Koper television broadcast.

"It would not be right for me to comment on the events in the Slovene Assembly, since it is a sovereign body of the Slovene authorities. It consists of democratically elected deputies, who are responsible to the Slovene population, and do not work in accordance with anyone's instructions. I believed that they discussed matters and decided in accordance with their consciences, aware of the great responsibility that they have. Furthermore, radio and television constantly carried the events directly, and everyone was able to form his own opinion of them, just as I finally did myself. In the interest of our democracy's future, I would like to state my opinion on two aspects of these events, which have been discussed a great deal in recent days. The first one is that it was a plot by some deputies in the Slovene Assembly. It should be pointed out that the possibility that the independent deputies exploited is specified by the constitution. If such constitutional, legitimate, and legal possibilities, which obviously exist precisely for such situations, are to be called a plot, then I think that our democracy does not have a good future ahead. The other opinion is that what is happening is a caricature of democracy. Democracy is also the possibility of choice. In the Assembly, we saw two approaches, two visions, two political cultures, two concepts. The decision that the Assembly adopted is binding upon all of us. If we are dissatisfied with the level and content achieved in our democracy, I believe that we then ought to correct it, improve it, develop it, since we clearly do not have any other democracy."

In response to a question about what he thought about a presidential dictatorship's being prepared, Milan Kucan said, among other things: "The deputies who spoke about this probably had some other president in mind, but not me. The thought of a dictatorship is alien to me. I opposed it in the times when I formally had a great deal of authority in the one-party system, which was already a sort of dictatorship itself, and certainly at that time, when the federal state bodies and the army were exerting pressure for us to institute a dictatorship with the formula of a 'state of emergency.' I and my colleagues responded to those pressures with the slogan of voluntarily stepping down from the monopoly of power—even though in some cases it was not perceived as a completely serious matter."